









# Politicians and Political Issues Test Discontent of U.S. Voters

Compiled by Our Staff From Dispatches

**WASHINGTON** — Americans cast their votes Tuesday in elections and on ballot initiatives that were expected to serve as a barometer of discontent with government.

In Pennsylvania, former Attorney General Dick Thornburgh tried to hold off Harris Wofford, the Democratic candidate, in a U.S. Senate race seen as a dry run for the 1992 elections.

Kentucky and Mississippi were choosing governors, and Washington State voters were asked to allow doctor-assisted suicide.

The elections also featured U.S. House races in Pennsylvania and Virginia and mayoral contests in several big cities. Besides the suicide proposal, Washington State was deciding whether to limit the terms of elected officials.

The most controversial election of the year — the Louisiana governor's race between David Duke, a former Ku Klux Klan leader, and Edwin W. Edwards, a former governor — will be held Nov. 16.

In Pennsylvania, Mr. Thornburgh, a Republican and former two-term governor, was running against Mr. Wofford, a Democrat, in a helicopter accident in April. Mr. Wofford has been serving as interim senator.

Running as the outsider, the incumbent portrayed Mr. Thornburgh as an entrenched politician closely tied to Washington. That theme, plus Mr. Wofford's call for a national health policy in a state with a high percentage of elderly, all but dissolved Mr. Thornburgh's early 40-point lead in the polls.

In Washington State, the most provocative issue on the ballot was the "death with dignity" initiative, which would allow physician-assisted suicide for patients diagnosed as being terminally ill by at least two doctors.

Washingtonians were also voting on a measure that would limit U.S. and state House members to three two-year terms, U.S. senators to two six-year terms, state senators to two four-year terms and the governor to two four-year terms.

The House speaker, Thomas S. Foley of Washington, would be forced to retire if the measure passes; on Monday, he called the proposal "an arrogant insult to the electorate."

Also on the state's ballot was an attempt to make a state law out of the 1973 Supreme Court decision in *Roe v. Wade* that legalized abortion.

Anti-incumbent sentiment was playing a role in several key mayoral races.

Kathryn J. Whitmore, seeking her sixth term as mayor of Houston, faded in the polls over the last three months. The latest poll by the Houston Chronicle showed her running third behind Bob Lanier, a developer and a conservative Democrat, and

Sylvester Turner, a black state legislator who is cutting into the mayor's support among minorities.

The mayor of San Francisco, Art Agnos, who swept to office with the largest majority this century, faced a tough fight, severely criticized by the neighborhood coalitions that elected him but now were blaming him for the general deterioration of the city.

He was getting stiff challenges from Frank Jordan, the former police chief, and two city supervisors — Angela Alioto, the daughter of Joseph Alioto, a former mayor, and Tom Hsieh, who was trying to organize the city's large Asian population. A runoff would be held Dec. 10.

Not all mayors were in trouble. Raymond L. Flynn of Boston and Kurt Schmoke of Baltimore, both Democrats, appeared headed to easy re-election.

The recent controversy over the writing of checks with insufficient funds by House

members, which were covered by the House bank, and over not paying their dinner bills, hurt one of the few members of Congress running for office this year.

Representative Larry J. Hopkins, Republican of Kentucky, made an issue of the personal finances of Lieutenant Governor Brereton Jones, a Democrat, in their battle to become the state's 51st governor. But when Mr. Hopkins admitted borrowing 32 checks (totaling \$4,000) at the House bank, Mr. Jones, with a heavy advantage in Democratic registration, regained the favorite's role.

In Mississippi, Governor Ray Mabus, a Democrat, faced a challenge from Kirk Fordice, a Republican construction company owner. Mr. Mabus is the first incumbent to benefit from a state law permitting the governor to run for a second consecutive term. Democrats have held the governorship in Mississippi for 107 years.

(UPI, AP)

## U.S. Doctors Veto Curbs On Workers With AIDS

Washington Post Service

**ATLANTA** — In unusually blunt and uncompromising language, representatives of some of the nation's leading medical and dental groups have overwhelmingly rejected a plan by the Centers for Disease Control to restrict the practices of health care workers who are infected with the AIDS virus.

The centers, an arm of the U.S. Public Health Service, had called an open hearing in Atlanta to enlist the help of the medical community in drawing up a list of procedures that pose a relatively high risk of spreading the AIDS virus.

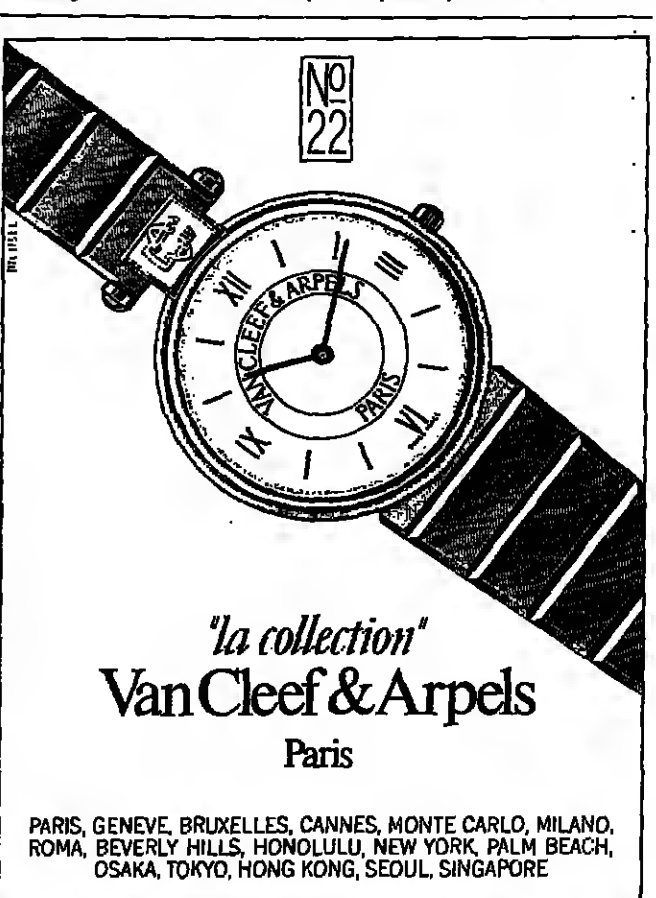
The list was proposed by the centers in July in regulations that called for doctors and dentists to stop performing any operation in which there was a chance that they might infect a patient.

But dozens of officials representing a wide range of professional specialties refused at the hearing to cooperate with the centers' request, variously describing the proposed list as illegal, unscientific and irresponsible.

"The question we have to ask ourselves is, 'Is this an idea based on scientific merit or an overreactive response to political pressure?'" said Quentin Stiles of the Society of Thoracic Surgeons.

The only major exception was the American Medical Association. Nancy Dickey, a trustee of the group, said that while the risk involved was small and the scientific information available on how to draw up a list scanty, some action was necessary to "diminish public anxiety."

After the meeting, the director of the centers, Dr. William E. Roper, said that since his agency depended for its success on the support and cooperation of the medical community, the agency would now think seriously about whether to develop the exposure-prone list at all.



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## U.S. Under Fire For Laxity on Zaire

By Keith B. Richburg

Washington Post Service

**WASHINGTON** — The United States is facing heavy criticism of its policy toward Zaire, with members of Congress from both parties urging a more vocal and activist role in pressing President Mobutu Sese Seko, a longtime U.S. ally, to give way to the democratic opposition.

In letters to President George Bush and his national security adviser, Brent Scowcroft, the members of Congress say they want Washington to become more involved because of "the deteriorating situation in Zaire" and the possibility that the strategically placed mineral-rich country could collapse into the kind of bloodshed and anarchy that has accompanied the fall of the U.S.-backed regime in Liberia.

Those concerns — and the apparent urgency in the calls for more vigorous U.S. diplomacy — increased Monday with the announced departure of 750 Belgian paratroopers who had been flown into Zaire seven weeks ago at the onset of the current crisis, to help evacuate foreigners, Zairian exiles and their supporters in Washington said they feared that soldiers loyal to Mr. Mobutu might move against opposition leaders once the foreign troops had left.

The United States so far has publicly maintained a hands-off policy. The State Department has insisted that Washington has only limited ability to influence events in Zaire.

"The United States doesn't have 'the same entree with Zaire and Mobutu' that it has had with other African leaders, a State Department policymaker said. "This has been a difficult one for us," he explained. "I don't think the U.S. government will say Mobutu must go. That's for the Zairian people to decide."

There are signs, however, that the administration may be rethinking that position, in part because of the congressional criticism coming not only from Democratic critics such as Representative Stephen J. Solari of New York and Senator Paul Simon of Illinois, but also from such Republican senators as Nancy Landon Kassebaum of Kansas, Richard G. Lugar of Indiana and Alan K. Simpson of Wyoming.

"We share their concern," a spokesman for the National Security Council said over the weekend. "We are reviewing the situation."

Herman J. Cohen, the assistant secretary of state for African affairs, is scheduled to testify on the situation Wednesday before the Senate Foreign Relations African Affairs subcommittee, of which Senator Simon is the chairman. But an official said it was unlikely that there would be a call for Mr. Mobutu to go.

"There's a lot of pressure on the U.S. to do something," the official said, "but we don't want to play the role of kingmaker."

He said the U.S. reluctance to get more involved was born partly of a

"healthy skepticism" and the possibility that any new leadership could be worse than that of Mr. Mobutu.

In their letter to Mr. Scowcroft, the three Republican senators stopped short of saying Mr. Mobutu should resign. "We believe the U.S. can help defuse the crisis in Zaire if U.S. policy were more visible, vocal and clear in support of positive, democratic change," the senators wrote.

In a statement, Mrs. Kassebaum went further: "It is time for President Mobutu to respect the wishes of the Zairian people and to give up power immediately."

In a letter to Mr. Bush on Oct. 30, Mr. Solari and four other members of the House Foreign Affairs Africa subcommittee — including two Republicans — said they were "troubled by the absence of any vigorous diplomatic effort by the United States to promote a peaceful and orderly transition process in Zaire."

Some Zaire analysts in the United States said Mr. Mobutu derived much of his legitimacy from his public closeness to Mr. Bush. He has been a frequent visitor to the United States, and has visited Mr. Bush's vacation home in Kennebunkport, Maine. The analysts said a strong White House statement would have a dramatic effect in persuading him to step down.

In Zaire, Mr. Mobutu said Sunday that he would not bend to U.S. pressure. "I'm not a man who occupies a position to do the wishes of the West," he said.

**Commando Raid**

A commando of Zairian soldiers raided the High Court in central Kinshasa, freed four detainees on trial and kidnapped two court officials, Reuters reported from Kinshasa, citing state radio.

## No Proof Any MIAs Are Still Alive, Cheney Says

The Associated Press

**WASHINGTON** — Pentagon investigations of promising leads have failed to yield any evidence that U.S. servicemen are still being held as captives from the Vietnam War, Defense Secretary Dick Cheney told senators Tuesday.

Testifying before a Senate committee, Mr. Cheney outlined the Defense Department's intensified efforts to resolve the mystery surrounding thousands of Americans who disappeared during the Southeast Asian conflict.

He said studies of photographs and the accounts of purported witnesses had failed to produce clues.

"We must naturally pursue every lead that comes our way," Mr. Cheney said. "But each time we rush to answer these false alarms, our resources are diverted from solid leads and productive lines of inquiry."

"Individuals who repeatedly provide false information, well-intentioned or not, should be called to account for their actions."

The committee investigating the fate of the missing Americans has begun obtaining some of the secret documents it wants from Vietnam but is having trouble gaining access to others, according to its chairman, Senator John Kerry, Democrat of Massachusetts. If necessary, the panel will issue subpoenas and go to court to get the documents.

The Defense Department still lists 2,273 Americans as missing in action. Almost all of them are believed to be dead, but many of their families remain skeptical about their official status.

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## AMERICAN TOPICS

### Old Parking Tickets Pile Up at Embassies

Foreign embassies in Washington routinely ignore large parking fines. The list of nonpayers includes wealthy oil nations aided by the United States during the Gulf War: Saudi Arabia, Kuwait, Qatar and the United Arab Emirates. Israel and Egypt, the two largest beneficiaries of U.S. foreign aid, are on the list.

So are countries where the United States spends millions on military bases — Turkey, Greece, Portugal and the Philippines — and East European countries seeking U.S. aid — Czechoslovakia, Hungary, Poland, Romania and Bulgaria. Even the Vatican owes \$90.

The Soviet Union, which is seeking aid from the United States, is by far the leader on the

### Short Takes

The chances of being killed in an airliner crash are significantly increased if the plane is heavily booked, according to a study by the Massachusetts Institute of Technology. It showed that airliners in major U.S. crashes had an average of 84.7 percent of their seats occupied. The average occupancy of flights that landed safely was 59.4 percent.

Major crashes were defined as the 10 in the years 1975-1990 in which at least 20 percent of the passengers were killed. The study did not indicate that a heavy passenger load increased the chance of a crash, although it could increase stall speed or takeoff distance. Another possible reason was greater pressure on airlines to keep things moving with crowded flights, pressure that could lead to "diminished conservatism in operating procedures."

One of every five of the nearly 600,000 physicians in the United States is a graduate of a foreign medical school, and 90 percent of these are foreign-born, according to the American Medical Association. More and more of them are settling in rural areas, in large part because U.S. law now requires foreign doctors who are in the United States for study, internship or residency to return home for two years when their stints are finished. But those who accept jobs in 2,100 areas federally designated as short of doctors can stay and apply for permanent residence.

### Shorter Takes

The University of Rochester, in New York State, offers a one-semester credit course in the board game Go, which is highly popular in Japan. The aim is to give students an insight into Asian, and particularly Japanese, culture. In "Distant Fires," playing Off Broadway in New York, the cast is required to pour concrete. Real concrete would harden, so the production uses Kitty Litter mixed with water. This can be used over and over.

The coach of the U.S. Olympic baseball team, Ron Fraser, recruited Tom Lasorda, manager of the Los Angeles Dodgers, to give a motivational speech to candidates for the team. Fraser said, "You must believe in free speech," and Lasorda replied: "Sure I believe in free speech."

"That's good," Fraser said, "because you're going to give one."

Arthur Higbee

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# Herald Tribune

Published With The New York Times and The Washington Post

## An Arab Breakthrough

Outwardly the big achievement in Madrid was that, for all the angry words, nobody stormed away in anger as Arabs and Israelis confronted each other as negotiators for the first time. But something else made this peace conference still more remarkable. It shows that there is no longer a single "Arab nation." There are, instead, distinct peoples and states whose leaders are finally free to pursue different paths.

The weekend handshakes are ephemeral: there is as yet no cause for euphoria. Bitter differences on where to meet next may provide pretexts for stalling or even scuttling serious face-to-face talks. Yet Madrid has already yielded a glimpse of a transformed Middle East in which Arab peoples engage in the normal give-and-take of political argument among themselves.

Only Syria played the stuck record of rejectionism and vituperation. But the most radical Arab state at Madrid was also the most isolated. And finally even Syria chose, at the moment of decision, to meet directly with Israelis and then, on Monday, to comment with startling cordiality on the Israeli people's desire for peace. Without minimizing the obstacles, that is progress.

When Anwar Sadat dared make peace with Israel at Camp David in 1978, he paid first with ostracism, then with his life. Egypt was expelled from the Arab League and castigated at Arab summit meetings for betraying what was then widely regarded

as the "Arab nation." But then came two transforming events, the Gulf war and the collapse of communism. Saddam Hussein's attack on neighboring Kuwait triggered deep splits within the Arab world. Mikhail Gorbachev's seismic reforms orphaned Moscow's former military clients in the Middle East. The combination reshuffled a decades-old deck.

Madrid has confirmed Secretary of State James Baker's astute assessment of this change. For eight months, notwithstanding gloomy forecasts, he persevered in direct appeals to every obdurate party. He cultivated contacts with Palestinians who are now emerging as an alternative to the PLO leadership that bet recklessly on Saddam Hussein. He dealt firmly with an Israeli government wary of any multilateral encounter with Arab opponents. And he secured the important symbolic co-sponsorship of Mr. Gorbachev.

It will take months, perhaps years, to see whether Mr. Baker's efforts will yield the prize of a comprehensive settlement. But "Madrid" has already become part of the lexicon of modern Mideast history, along with UN Resolution 242, Camp David and intifada. Madrid now denotes the end of the stereotype of "the Arabs" as a hostile, unreasoning monolith. That change may not be a sufficient, but is a necessary, condition for peace.

—THE NEW YORK TIMES.

## One American in Ten

The grimmest report to date on the American economy has come from the usually sunny Agriculture Department. It matters of-factly announced the other day that nearly a tenth of the population received food stamps in August. The number of recipients was a record 23.7 million, an increase of almost 5 million or more than 25 percent in just two years.

The stamp rolls are hardly the only sign of structural inefficiency in the economy. The unemployment rate is up with the recession, but the poverty rate and various measures of income inequality are higher than the business cycle can explain. The case load in the main cash welfare program of Aid to Families with Dependent Children (AFDC) has risen 20 percent in the last two years, such that more than 8 million children are now enrolled in the program—more than one child in eight. Medicaid caseloads and costs are likewise high.

But the stamp population is the best mirror image of need. In this pursuit of welfare programs, age does not matter, nor family composition or state of health or residence; to qualify you need only be poor. The complaint used to be that stamps were being given to people out of genuine need. But the eligibility rules were tightened in the early Reagan years (particularly at the working poor's expense), and the government says that more than half of receiving households now have gross incomes of less than \$400 a month or about \$4,800 a year. The problem is not just one of insuffi-

cient incomes but of public finance. The society is rich enough to meet its obligations, but the various levels of government as now supported are not. In part you see the signs of this failure of policy in feuding between the state and federal governments. The states contend in the case of Medicaid, the most expensive welfare program, that the federal government has saved its conscience at their expense and added insupportably to their costs. At the same time, in AFDC and stamps combined a quieter shift has occurred in the opposite direction. The states have allowed the purchasing power of AFDC benefits, of which they pay about half, to decline. The federal government has been left to make up much of the difference in stamps, for which it pays alone.

At the federal level, the fight has lately been against the restraints of the budget agreement. The Democrats rightly urged an extension of unemployment benefits but did not want to vote a tax to match; they delayed their own relief act by first trying to force the president to add the cost to the deficit through a declaration of emergency. Democrats and some Republicans likewise want to liberalize the food stamps program—another good idea—but the bill to do so awaits the necessary revenue. Two deficits grew up in the 1980s, a social deficit alongside the budget deficit. They pull in opposite directions, and the tension of the early 1990s is how to address them both at the same time.

—THE WASHINGTON POST.

## A Victory for Africa

For Africa no less than for Zambia, the electoral defeat of President Kenneth Kaunda is a significant and hopeful surprise. Ever since Zambia achieved independence from Britain in 1964, it has been led by a single ruler and party. Mr. Kaunda is the first senior leader in post-colonial Africa to be defeated in a truly free and contested election. That is a dubious distinction for him but a triumph for the people of Zambia.

The landslide victory in last Thursday's vote, Frederick Chiluba, is an experienced trade unionist who assailed policies that have brought Zambia close to bankruptcy. It has the highest per capita foreign debt in Africa, yet its regime has been squandering \$300,000 a day on subsidies to assure cheap food and placate urban voters. This blatant politicking misfired at the polls.

Mr. Kaunda's rise and fall followed a sadly familiar pattern. A hero of independence, he was admired as a principled foe of white racism; at some risk, he aided the

rebellion against the Ian Smith regime in Rhodesia, now Zimbabwe. Foreign aid flowed, as did investments in Zambia's copper mines, schoolchildren were given free notebooks and taught that their president was infallible. But as copper prices sank, spending spun out of control on prestige projects like airports. When Zambia's challenged one-party rule, Mr. Kaunda responded by jailing opponents, among them Mr. Chiluba. Finally, yielding to swelling discontent and a collapse of foreign credit, the president agreed to multiparty elections. Yet in doing so he warned that civil war might result if he were rejected.

Fortunately, the vote was monitored by international teams, one of them led by Jimmy Carter. By promptly stepping down, Mr. Kaunda has acted with honor and intelligence. A democratic transition in Zambia can send a message to all Africans who seek political change without bloodshed, economic reform without repression.

—THE NEW YORK TIMES.

## Other Comment

### Arabs Reassured by Bush

Washington has managed to earn the trust of most Arabs as an honest peace broker. When the notion of having the Arabs and Israelis at the same negotiating table was touted by the United States in the wake of its crushing of Saddam Hussein's troops in Kuwait, the dormant suspicion that the Arabs harbored about American policy surfaced. There were a lot of precedents throughout the history of the Arab-Israeli dispute feeding these doubts. Except for Eisenhower, all the White House presidents glaringly sided with Israel and even blessed Israeli tampering with the region's security. George Bush has masterfully lived up to his pledges to tackle the Middle East problem unprecedentedly on the land-for-peace basis.

With such a dispute festering for over four decades, to see such acrimonious debates on the part of the involved sides is not surprising. However, the Middle East people, seeing their hope for a resolution of the problem fading, have nagging fears that Mr. Bush

has now attained what he has been after over the past eight months, i.e., merely to bring the feuding parties to sit face-to-face. There are, still, some signs making these fears groundless. The other day, President Bush said the United States, now the world's undisputed superpower, will not wash its hands of the Middle East peace process. The Bush pledge is reassuring.

—The Egyptian Gazette (Cairo).

The Gulf war showed that the U.S. armed forces could act in the Middle East without Israel, which in return has made Tel Aviv increasingly aware that it cannot expect unconditional support from the United States and that it can maintain the vital American connection only by paying attention to U.S. interests. Both Israelis and Arabs are beginning to see at long last that war is no solution for anything. Although much will remain to be done, the Madrid conference could well provide a basis for more ambitious developments later.

—The Korea Herald (Seoul).

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## OPINION



## Next Comes an Experiment With Regional Blocs

By Hobart Rowen

WASHINGTON — Conventional wisdom among economists of all countries is that multilateral trade produces a higher standard of living than is possible under competitive regional blocs. But this textbook analysis is being pushed aside by pragmatists.

The world trading system operated in the 1980s on an assumption that high technology and instant communications would bring the world together under the Geneva-based General Agreement on Tariffs and Trade. But experience showed that geography and ethnic unity still count. Around the

**The reality is that the trend toward multilateralism has been reversed.**

world, as C. Fred Bergsten, a former U.S. assistant secretary of the Treasury, has said, the message is that "even the United States" is going regional.

Frustrated with GATT, the United States launched a North American free trade pact with Canada and is now in the process of extending it to Mexico. Other Latin countries will be invited to join later as full or associated partners.

Europe has the biggest and tightest regional bloc, ready for further expansion. The Asian countries are exploring the practicality of similar groupings.

The one thing that could slow the drift toward regional blocs would be a dramatic, last-minute revival of the GATT negotiations, known as the Uruguay Round. Recently a belated, reluctant and tentative push by Chancellor Helmut Kohl to generate a compromise has revived hopes that the round can be completed next year.

In the course of four years the negotiating parties in the Uruguay Round have failed to get a change in GATT rules to adjudicate disputes fairly. Disappointment in GATT, as the chief symbol and operator of a multilateral trade regime, has been exacerbated by Europe's stubborn refusal to abandon a highly protectionist farm subsidy system.

Even if the Uruguay round is revived, multilateralism will have to accept a two-track existence with regional blocs. As John Yoehelson has pointed out at a conference of the Center for Strategic and International Studies: "The strengthening of economic regionalism has occurred at a time when the failure of communism and the spread of market-oriented ideas in the developing world would have opened up a historic opportunity to extend the global marketplace."

He suggests that one reason for the trend toward regionalism in Europe and the Americas is that Japan, Korea and other Asian countries were the competitive winners in the 1980s, running up huge trade surpluses, while deficits were recorded in America and in Europe.

In Asia the problem is seen from the reverse perspective. Promoters of a regional bloc are motivated by a fear that unless the many Asian countries get together, they will be outmaneuvered in a battle for markets by North America and Europe.

The Japanese elder statesman Saburo Okita cites the Asian developing countries' contention that "the international economic system is structured to the advantage of the industrial countries" and that "they are underrepresented in it."

Almost a year ago, the prime minister of Malaysia, Mahathir bin Mohamed, proposed the formation of an East Asian Economic Group. That stirred enormous interest in Asia, but, as is typical of Washington's parochial view of the world, it got little attention in America. Mr. Okita said the Asian regional grouping suggested by Mr. Mahathir, with the addition of coastal China areas, would equal North America or Europe in both GNP and population by the year 2000.

An Asian regional bloc is far from a fait accompli. Asia is composed of disparate economies from rich to poor, widely separated by culture and history, most of whose citizens dislike Japan. Japan is ambivalent; it has huge markets outside of Asia to keep nurturing. The United States, not invited by Mr. Mahathir to join, lobbies hard against the idea, preferring to be included in a differently structured Pacific bloc, if there is to be one.

So an Asian bloc may never come into being on the grand scale envisioned by the Malaysians. All the same, from either the Western or the Asian perspective the reality is that the trend of the '80s toward multilateralism has been reversed and that the bloc system will grow.

My colleague John Berry reported in September that a number of economists gathered by the Kansas City Federal Reserve Bank accepted the inevitability of trading blocs as a second-best system, arguing that second best is a good deal better than nothing at all.

It looks as if we are going to find out in the '90s what the price of regional blocs proves to be, in terms of protectionism and higher consumer costs, and in other areas not even visible today.

The Washington Post.

## Russia Is Being Drawn Eastward, Away From Europe

By Leszek Buszyński

MOSCOW — The geopolitical focus of Russia is changing. It is being drawn eastward, toward Asia and away from Western Europe. This will have important consequences.

In the past, Russia was a great power in Europe. But that will become more difficult as the disintegration of the Soviet Union widens the distance between Russia and Europe. Baltic, Moldavian and Ukrainian independence will tend to undercut Russian influence in Europe.

Russia will be compelled, instead, to focus on the security of peripheral areas, such as Central Asia, and on relations with Japan and China. The future Russia will be an Asian regional power preoccupied with its own economic problems and with security along its extensive borders.

The Soviet invasion of Afghanistan in December 1979 was provoked largely out of concern for the

security of their southern border and fear that the fundamentalism of an Islamic regime in Kabul might spread to the mainly Muslim republics of Soviet Central Asia.

But since these republics began declaring independence from Moscow, the Russian fear has been that they may be drawn into the political and religious quarrels of the Middle East and the Gulf.

In the past, the Soviet Union, with its powerful armed forces and strong central control, could stoke Middle Eastern conflicts to weaken or embarrass the West, with little fear of destabilizing Central Asia. Now that Central Asian stability has become an overriding concern, the Russians' interest in negotiated solutions to the problems of the Middle East and the Gulf has intensified.

In the Far East, the most immediate foreign policy issue for Russia is the territorial dispute with Japan over the southern Kuril Islands, which Soviet forces occupied at the end of World War II. Tokyo, which refers to the islands as its Northern Territories, says the islands must be returned before it can sign a postwar peace treaty with Moscow.

Opinion among Russians is divided. Some call for a return of the islands in exchange for large-scale Japanese economic assistance. Others, probably more realistically, know that their country lacks the infrastructure to absorb large amounts of Japanese aid. They demand a compromise. Many Russians fear that to give in too easily at a time of weakness might induce Japan to demand the return of all

the Kurils in the future. A quick solution is not in sight.

Russia will surely pay close attention to China and to security along the common border. Domestic politics have moved in radically different directions in these countries; there is little sympathy between Russian and Chinese leaders. Boris Yeltsin, the Russian president, and the Russian democratic movement will not forget how the Chinese Communist Party supported the coup attempt by Soviet hard-liners in August. Nonetheless, common security interests will compel Russia and China to come to terms.

The writer is senior research fellow at the Strategic and Defense Studies Center at the Australian National University in Canberra. He contributed this column to the International Herald Tribune.

## U.S.-Soviet Arms Treaties Apply to the Republics

By Alton Frye and Jeffrey H. Smith

WASHINGTON — The move to independence by the Ukraine and other former Soviet republics has created grave international security problems. The parliament in Kiev contemplates an army of 400,000 men or more, larger than Germany's will be. Russia's President Boris Yeltsin has said his government may need an army. Other newly independent republics also talk of separate forces.

In several regions where Soviet nuclear weapons are deployed, there are strong hints that the weapons could become bargaining chips for the republics in future talks with Moscow. The prospect of multiplying armies and proliferating fingers on the nuclear trigger demands sober U.S. action.

George Bush's unilateral initiatives on nuclear weapons are an attempt to turn the dangers arising from Soviet fragmentation into opportunity. He has acted within the context of numerous agreements negotiated over the years with the Soviet Union, including the Nuclear Nonproliferation Treaty, the acts of the Conference on Security and Cooperation in Europe, the Anti-Ballistic Missile Treaty and the still unratified Strategic Arms Reduction Treaty and Conventional Forces in Europe Treaty. It is essential that the new republican governments adhere to these deals — and that the further nuclear reductions promised by President Mikhail Gorbachev in response to Mr. Bush's outcries take place.

The Soviet Congress of People's Deputies has pledged that all international agreements and obligations will be "unswervingly observed in the transitional period" and has urged secessionist republics to join the NPT and the CSCE. This fell short of the traditional principle that successor governments accept their predecessors' international legal obligations.

Except for the central government or Russia, if it assumes control of

Soviet nuclear forces, the United States should treat all governments that emerge in the territories of the old Soviet Union as "non-nuclear-weapons states" within the meaning of the NPT. Any nuclear weapons that remain on their territory should do so only in an alliance relationship with the central government or Russia comparable to the existing agreements for U.S. nuclear systems in NATO or elsewhere. Republics defined as non-nuclear-weapons states are obligated under the treaty not to acquire nuclear explosives.

But the central (or Russian) government is required by START to carry out reductions and enforce other treaty strictures on intermediate forces and anti-ballistic missile defenses. START would remove thousands of strategic weapons. The Soviets continue to modernize their vast arsenal, the gravest threat ever faced by the United States. America cannot miss the opportunity to reduce that peril.

Equally, CFE is vital to America and her allies. Its provision for deployment and destruction of massive amounts of conventional equipment — tens of thousands of tanks, armored vehicles, artillery and helicopters — should guarantee that the turn toward stability at lower force levels in Europe is irreversible.

Given the momentous stakes, U.S. policy must be precise and explicit.

**International agreements:** The United States and its allies should make clear that, apart from the Baltics, they will not recognize or trade with any Soviet successor government or republic government or support its participation in the United Nations unless it formally accepts treaty obligations to prevent nuclear proliferation and to honor other international covenants.

**Nuclear weapons:** Washington should insist on firm evidence that strict command-and-control arrangements govern Soviet nuclear weapons. Preferably, these should be moved to Russia, but Ukrainians and others who favor non-nuclear status for themselves are not keen to enhance Moscow's nuclear monopoly. Because the United States maintains nuclear weapons in other countries, it cannot easily press that demand. Moreover, there is concern about moving weapons during periods of instability.

President Bush's concern for the "physical security" of weapons points the way. Washington should offer technical assistance and equipment to bolster command and control wherever Soviet nuclear weapons are located, including help in installing two-key systems for all weapons. One idea worth pursuing would be to add post-launch destruct mechanisms, using on test rockets, to all ballistic missiles.

**Short-range nuclear weapons:** The matching pledges by Mr. Bush and Mr. Gorbachev to eliminate short-range ground-launched nuclear weapons and to remove nuclear weapons from surface ships should be codified and confirmed.

**Force limits:** The United States and its allies should declare that in no circumstances should any military forces deployed by the separate republics exceed a pro rata allocation of the quotas assigned to the Soviet Union by the conventional force reduction agreement. The onus is on the successor governments to satisfy the so-called transparency requirements — restraint on military maneuvers, mutual observation and inspection procedures — of the CSCE accords and to move forward with CFE force reductions. Washington should wait for the dust to settle in the

intra-Soviet bargaining to send that message loud and clear.

**Treaty ratification:** The United States should ratify CFE and START expeditiously. Although the situation in Moscow is fluid, the risks of delay are greater than the risks of proceeding now. If CFE and START are not brought into force, there will be no effective limits on any new leadership inclined toward militarism.

Mr. Frye is Washington director of the Council on Foreign Relations. Mr. Smith is a former general counsel of the Senate Armed Services Committee. They contributed this comment to The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1891: Emin a Nuisance

PARIS — Now that Emin Pasha, after having been rescued at a heavy cost of men and money, has fought his way back to Wadai, and narrowly escaped bringing about a quarrel between England and Germany by doing so, there is a general conviction that he ought to be kept in Africa for the rest of his days. There is now an opportunity for a new Emin Relief — or rather Relief from Emin Society — the object of which should be to send out an expedition to transport [the German explorer] into the darkest part of the Dark Continent, and leave him with the understanding that if he ventures to emerge into the light of civilization again he will be dealt with.

### 1916: Women for Peace

NEW YORK — The "straw vote" made by the Herald has the better of the situation in New York, Illinois and Indiana, and it is a toss-up in Ohio. But all these States are in

## To Preserve The EC, Try Cloning It

By Giles Merritt

BRUSSELS — The time has come to break the European Community's monopoly in Europe. It is wrong and impractical to think that all the countries of Europe can be gathered in a single grouping.

The future political architecture of Europe is being hotly debated among European politicians. So far their discussions have focused on ways to make the Community more "federal" and, eventually, larger. The debate is headed toward a dead end.

Europeans should consider a more flexible arrangement involving not one but several European "communities." The Scandinavians, the East Europeans and the non-EC Mediterranean countries could form communities, each tightly linked to the present 12-member group.

"Whether or not the EC should be the sole political and economic grouping in Europe is the key question, but it is a question that nobody seems to be asking," said Etienne Davignon, a former vice president of the EC Council. Mr. Davignon, now head of Societ Generale de Belgique, was speaking at a recent conference on Turkey's relationship with the EC.

Turkey leads a lineup of formal applicants for EC membership that includes Austria and Sweden; the list could number as many as 14 countries by the mid-1990s. The seven-member European Free Trade Association has become "little more than a waiting room for would-be EC members. And the Community has become an irresistible magnet for the new East European democracies and for Mediterranean countries like Malta and Cyprus.

Then there is the possibility that the fragmentation of the Soviet Union could lead to EC membership bids by sovereign republics.

None of these countries would be enthusiastic about being directed toward some form of associated community. All have set their sights on full EC membership.

But it is not in the interests of the present EC members or of the candidate countries that the Community be enlarged. The Community is becoming the victim of its own success. Its collective decision-making process is already cumbersome and unsatisfactory. A Community of 18 or more states would be politically and administratively unmanageable.

Candidate countries should be told that they have no "right" to EC membership; and that by joining the Community they would be destroying it. The presence of these latecomers would sap EC effectiveness.

These countries cannot, however, be left outside EC political and economic structures. In the volatile conditions of post-Cold War Europe, the Community's eastern and southern neighbors should be pulled closer to the EC fold. Although not brought inside the Community, they must be involved in a close-knit system of political cooperation and economic resource transfer. Unless it can establish such a system, the Community will be forfeiting its own security.

Rather than grapple with the problems of streamlining EC decision-making into some sort of "federal" structure, the Community should deflect would-be members into linked but separate groupings — "clones" communities. Each could have its version of the Council of Ministers, the Commission and the European Parliament, and would be closely tied economically to the Community.

The important thing is that these linked communities have access to the EC market and become part of a pan-European system for transferring resources from richer to poorer countries. A future Nordic community, for instance, would be expected to funnel substantial economic assistance to the members of, say, the Mediterranean community and the East European community.

Such a loose confederation of separate communities would be more flexible than an enlarged European Community, yet would offer an efficient mechanism for political coordination and economic cooperation. The new communities would be able to align their policies with those of the Community and, because collectively they would have stronger voices, would be better able to influence it.

The Community has emphasized that it will not consider any membership application until 1993, when the single market is due to be completed and the shape of EC political, economic and monetary union will be clearer. The Community should use this breathing space to think again about enlargement, for a bigger and more unwieldy Community would be in the interests of no one.

International Herald Tribune.

### 1941: U-Boats Off Canada

TORONTO — [From our New York edition:] German submarines are operating within sight of the shores of Newfoundland, almost at the start of the North Atlantic shipping lanes to Britain and far within the American defensive area laid down by President Roosevelt. The Canadian Navy Minister, Angus Macdonald, announced today [Nov. 5]. He said two U-boats were attacked by Canadian forces off northern Newfoundland.



## OPINION

For Honor or Isolation,  
It's Louisiana's Choice

By A. M. Rosenthal

NEW YORK — Less than two weeks are left before election day in Louisiana, not much, but time enough for the voters to understand what they will be doing to their state if they elect David Duke as governor, and what they will be doing to themselves.

Up to now, there have been mousy, mousy modifiers used to describe David Duke. But if he wins, this man will be

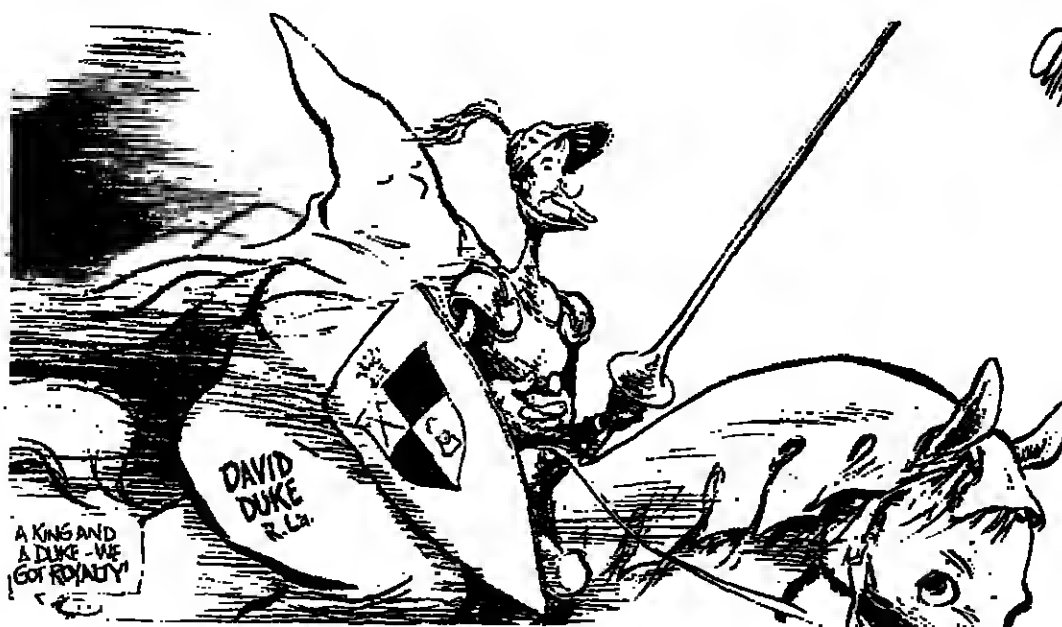
etched into the brains of millions around the world. No nicey-nicey. Duke, Nazi, Louisiana will become an automatic thought association.

Businessmen in Louisiana are warning about a boycott of the state under a Governor Duke. But I doubt anybody can gauge how very deep and lasting the disgust will be. Americans and foreigners who detest Nazis and all political bigotry will realize they can express their disgust only by withholding trade, conventions, sport, tourism and investment from the state that chose David Duke.

Lance Hill, the political scholar who is head of the Louisiana Coalition Against Racism and Nazism, says the cost of world revolution still has not sunk in, and now is the time to shout the truth to Louisianians.

Yes, but inside us we know that something more than economic warning will be needed to change the minds of those now planning to vote for this man. That is the realization that if he wins they will never be able to escape responsibility — not some anonymous mass of voters, but they themselves, each one personally.

Until now, the talk has been mostly about how something outside the responsibility of each person would be to blame. How President George Bush did not say enough, or said too much, how the Willie Horton advertisement



made anti-black bigotry politically potent or how the presidential television show denouncing Jewish lobbyists brought anti-Semitic mail that startled the White House.

But simply to blame the Duke vote on the president is to treat Louisianians as mindless idiots. David Duke has been around for a long time.

The popular rationalization is that well, you must understand that these people are economically nervous and suffering, and so they naturally reach out for extremists.

Remember? That was the excuse for Germans who reached out for Hitler.

But in Louisiana as in Germany there is choice. Americans did not choose fascism during the hideous Depression of the 1930s, nor did the British or the French in the hard days after World War II. That excuse degrades all those people — including Louisianians — who fight fascism, using the power of choice and conscience that is supposed to separate us from animals.

Many Duke voters are not suffering from anything but their own mind-poisoning bigotry. They have made their choice. Only God has the stomach to peer into their consciences. But among the white voters who support

this fellow on what he intends to be the road to the White House there must be many who do so because they feel the Democratic candidate, Edwin Edwards, is no great bargain. They lean toward David Duke as something new.

These voters still have choice, and conscience. They are the hope of Louisiana. Together with the blacks of Louisiana, the strongest bulwark against this man, they can defeat him.

Doing so they would honor their state and themselves, and not cut the rest of the world off from all that good music, good food and good company.

The New York Times

Baby-Making in the '90s:  
A Most Unnatural Project

By Judith D. Schwartz

MIDDLETOWN, Connecticut — In envisioning myself getting pregnant, I have long had the fantasy that I would turn 30 (or 31 or 32) and throw my birth-control pills out the window.

It would be a fantastically liberating act, the biochemical equivalent of letting

ing beep at the concert might not be someone's Times but a woman ovulating. Having controlled fertility with contraception for so many years, we now regard conception as something that should be controlled as well.

Reproductive medicine's capacity to regulate our functions leaves us increasingly apt to ask for that control.

We are conscious of every aspect of the process, from conception to birth. Somehow, the more we know about what our bodies do the less we trust them to do it on their own.

The basic dilemma is: How do you "unlearn" the apple?

If you know you increase your odds of conceiving by making love on a certain day, how can conception be completely spontaneous? If you have any question about your cycle and taking a pill will trigger ovulation, how can you resist?

The magic has disappeared. What we have instead is measure.

Who can think of romance and passion while contending with mucus elasticity and sperm count? Are we in that much of a rush? Perhaps sometimes we are.

Will we somehow get better results, an easier pregnancy or a better baby? I think that it is more a matter of being unable to justify not using something that is available to us.

To what odd frontier has science led us? Ironically, back when frozen zygotes were but a glint in some futurist's eye, women saw reproductive technology as a means of freeing women.

In "The Dialectic of Sex," the radical feminist Shulamith Firestone called for technological alternatives to pregnancy, which she described as "the temporary deformation of the body of the individual for the sake of the species."

But while feminists of the '60s and '70s looked to technology to liberate women from restrictive roles, today we depend on technology to liberate us from anxieties — anxieties that technology itself has in part caused.

Once I have flung my pills to the wind, I will still have to wait several months before conceiving, as there is a slight risk of birth defects from the pill. I will have to be sure I was ovulating because there can be delays after stopping. Doctors have assured me, however, that I can get a different prescription, if my system seems slow.

So much for my "natural" ideas.

The writer is working on a book on motherhood. She contributed this comment to The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## LETTERS TO THE EDITOR

## For an End to Tribalism

Regarding "Eastern Europe: Ethnic Time Bomb" (Oct. 28):

Rather than pulling down statues of Karl Marx, perhaps more should be erected for his having helped Europe to mask its tribalism with a fig-leaf of socialism for some 70 years.

For as long as I can remember, tribalism was regarded as a disease peculiar to Africa and Africans — a judgment that has now proved to be false.

In view of the carnage in Yugoslavia, which could be repeated all over Europe, may I outline a possible solution?

The United Nations Security Council should pass a resolution with the concurrence of all permanent members that the UN will oppose secessionism. The UN General Assembly should endorse a similar resolution. The Security Council should nullify all declarations of independence in Yugoslavia.

A UN-supervised federal administration should be set up in Yugoslavia along the lines of the Cambodian agreement. A UN-supervised constituent assembly should draw up a genuine federal consti-

tution with entrenched clauses for human and minority rights. UN-supervised elections should be held, and a new federal army be set up with UN help.

This program could serve as a model for other European tribes running amok. But it goes beyond Europe. No continent is spared. There is no shortage of grievances to be exploited, no shortage of saviors prepared to sacrifice everything and everyone but themselves.

No shortage of arms merchants, no shortage of young men and women to be sacrificed on the altar of ethnic nationalism. The United Nations, with its new vigor, should step in and step in now.

A. BOLAJI AKINYEI, Lagos.

The writer was external affairs minister of Nigeria, 1983-87.

There Was Another Map

Regarding "Four Decades: How the Map Has Changed" (Oct. 30):

The most important map was omitted: the one showing the land that Palestinians would have had for their inde-

pendent state in 1948. But the Arabs attacked Israel because they wanted it all. That remains the Arab goal.

ANDREW DAVIDSON, Paris.

A Selective Gun Ban?

Regarding "House Rejects Ban on Assault Guns" (Oct. 18):

If it is true, as the U.S. House of Representatives apparently believes, that banning assault weapons and their accessories, or handguns for that matter, "will do nothing to reduce violent crime," why should the U.S. government and the world be so interested in depriving Saddam Hussein, a violent criminal if ever there was one, of his weapons of mass destruction?

CRAIG ALLEY, Rome.

Playing the Name Game

I need a name for that "nation" that stretches from the Black Sea to the Arctic Ocean to the ramparts of China.

The "Russia" used by contemporaries

of Peter the Great and Tolstoy is easily confused with one of its major republics. The abbreviation U.S.S.R. is linked to the communism that is fast disappearing or is at least in hiding. The name Soviet Union reminds me of Voltaire's quip that the Holy Roman Empire was neither holy, Roman, nor an empire.

The word Soviet refers to an elected governing body and union denotes solidarity of territory and purpose. At present, none of this is appropriate.

Perhaps Mother Russia could be used, as contrasted with the Russian Republic, or simply Russia when referring to the country and Russian Republic when referring to the smaller entity.

GERALD C. HARDY, Manchester, Connecticut.

EC authorities need to find a proper name for the single European currency.

All nations give their money significant, symbolic names, reflecting history: mark, peseta, crown, drachma, franc, guilder, escudo, lire, pound.

Why should we Europeans renounce meaningful, beautiful names to adopt the English acronym Euro? We need a

name that will designate our common currency in an aesthetic way.

ERIKA CASAJDANA, Barcelona.

Love, Moscow-Style

I met my husband, Ivan, in 1984. In the queue. We were lining up for washable wallpaper. I liked the man right away. He was witty. He was No. 1984 in the line — he said he was keeping up with the times. He was punctual. Ours was not a one-day queue, so we met in line on Wednesdays at 7 P.M. Ivan explained to whoever asked what we were queuing up for. We became friends. We went to the theater together. I was ahead in the line for Bolshoi tickets. My number was only 2245, his was 5894. We began going to the theater often.

A couple of months passed and Ivan led me to the marriage registration office. There was a very short queue there! We were the 16th couple.

Years passed. We live well. My husband is in the apartment queue. No. 3857463947618. So at the moment

we stay with my mother. It is a good room, close to downtown. We don't have a telephone yet, but we've got the number: 959-14-94. That's not the phone number, it's the queue number.

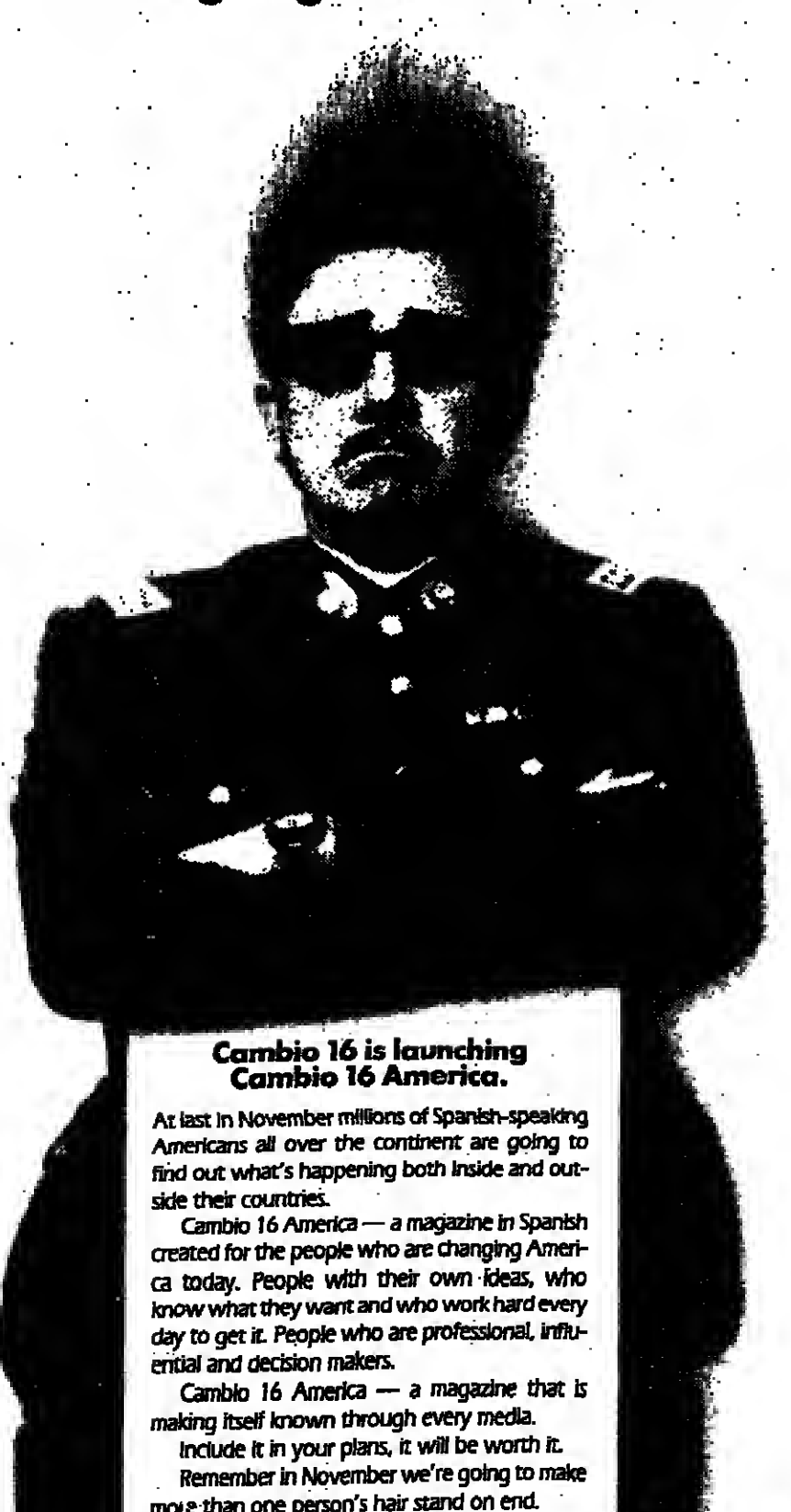
We have a son, Vasil. A clever boy he is! He can even write his queue number for kindergarten entry: 96.

SVETLANA VIZLINSKAYA, Moscow.

In the Eye of the Beholder

Proponents of Women's Lib claim to be dedicated to the notion that women are people, yet it is they who reduce everything to sex, and to a very humorous conception of it at that. Their implication is that disgust is the only conceivable response to the alleged behavior. This attitude is indispensable to maintaining a charge of harassment. Yet if women are people they will react variously to such situations; some will be flattered, some amused; some may even view such behavior as a possible symptom of acute stress.

BARBARA FLECK, Mannheim, Germany.

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Include it in your plans, it will be worth it.

Remember in November we're going to make more than one person's hair stand on end.

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MR. RAJA TRAD (Ticket No. 04111), PO Box 7534, Dubai, UAE, winner of the BMW 750i who travelled Emirates Airlines, Dubai/Dubai on 1st October 1991.

MR. AHMED J. B. BOASSAIB (Ticket No. 67472) of PO Box 816, Umm Al-Qaiwain, UAE, winner of the Mercedes Benz 500 SL who travelled Dubai/London on 26th September 1991.

MR. ISMAIL A. AL-SHAYTHY (Ticket No. 652151) of PO Box 87114, Riyadh, Saudi Arabia, winner of the Mercedes Benz 500 SL who travelled Emirates Airlines, Dubai/Dubai on 1st October 1991.

To Preserve  
The EC, Try  
Cloning It

By Giles Merritt

BRUSSELS — The time has come to break the European Community's monopoly in Europe. It is all the countries of Europe can be gathered in a single group.

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## Test of ANC Tactics, Strike Holds 2d Day

By David B. Ottaway  
Washington Post Service

JOHANNESBURG — A two-day nationwide strike against government economic and tax policies wound up Tuesday with business and labor union officials continuing to report a high rate of absenteeism amid scattered incidents of strike-related violence in which more than 20 people have died since Sunday.

The strike was widely viewed as a test of tactics that the African National Congress and other black groups are likely to use against the government to back up demands for power-sharing in a transitional government during forthcoming negotiations on a constitution.

The strike, beaded by 3 million to 4 million workers, has been described as the biggest display of labor power in the history of South Africa.

Levels of absenteeism ranged from 80 percent and higher in the country's industrial heartland around Johannesburg and in Port Elizabeth to 40 percent or less in the Cape Town region, northern Natal Province and the

gold and coal mines, according to union and industry representatives.

President Frederik W. de Klerk lashed out Tuesday at the organizers of the strike, saying that it "should never have taken place" and that there was considerable evidence intimidation had been used to ensure its success.

Police spokesmen also alleged that intimidation was "rife and widespread." However, neither Mr. de Klerk nor the police cited specific evidence to back up these assertions, other than bomb attacks early Tuesday morning on two commuter rail lines.

One explosion occurred just outside Johannesburg and the other near Cape Town. But with railroad spokesmen reporting that ridership had declined to only 3 percent of normal around Johannesburg and to extremely low levels in Cape Town, it was difficult to tell whether the bomb attacks had made any difference.

Some workers interviewed by local radio stations and newspapers said they had heeded the strike call mostly because they were afraid they would be killed otherwise. But others who went to work said they had not been threatened.

Two workers were killed and 16 wounded Tuesday, reportedly in strike-related fighting, at a mine outside Carletonville, southwest of Johannesburg. Fifteen were killed in a clash Sunday night between pro- and anti-strike factions at a mine near Welkom in the Orange Free State.

The Inkatha Freedom Party, the main black group opposed to the strike, blamed tensions arising from the strike for the killing of one of its youth brigade leaders, Mbhekiseni Gwala, in Secunda east of Johannesburg on Monday.

In a statement issued on Tuesday, Inkatha accused the ANC, the South African Communist Party and the pro-ANC Congress of South African Trade Unions of touching off "another cycle of hideous violence" in having organized the strike.

Meanwhile, the police said they had shot and killed one of three people who had died in strike-related incidents, a pro-strike demonstrator who was found carrying an AK-47 rifle. A total of 278 people were arrested during the two days for participating in unauthorized rallies and demonstrations, the police said.



Police patrolling a nearly deserted Soweto train station during South Africa's nationwide strike on Tuesday.

## ZAMBIA: Could Lusaka's Transition Portend a Deluge of Democracy?

(Continued from page 1)

country in Africa, depending on the status of opposition groups, the character of the governments and personality of individual leaders.

In Sudan, where a military dictatorship dominated by Islamic fundamentalists is in charge, it will be difficult for the Zambian result to even register. One Sudanese military leader recently called multi-

party democracy as alien to Africa as a "three-piece suit in the desert."

In West Africa, movements toward democratization already taking place through national conferences that bring together governments and opposition groups, may get bolder, international observers in Lusaka said.

But the Zambian experience, they added, will reverberate most acutely in East and Central Africa.

There, former British colonies, like Zambia, inherited institutions — a judiciary, a press and professional organizations — that had not been entirely eroded and could be used by an opposition, said Richard Joseph, professor of political science at the Carter Center of Emory University in Atlanta.

Mr. Joseph cited Kenya, headed by President Daniel arap Moi, and Zimbabwe, which has been led since independence in 1980 by President Robert Mugabe. He said, "Moi and Mugabe are going to have to take a look and decide, 'Do I want to be a Kaunda or a Mobutu in the historical record?'"

Mr. Kaunda will be remembered, Mr. Joseph added, as having led his country to independence and then having agreed to multi-party democracy. By contrast, he

predicted, President Mobutu Sese Seko of Zaire, who resists power sharing, will go down as a dictator who ruined his land.

Mr. Carter expressed hope that the Zambian experience would infuse the opposition in Kenya with more courage to stand up to coercion.

While few doubt that there will now be increased calls in Kenya for elections, Kenyans and other Africans say it may take time for the pressure to mount on either Mr. Moi or Mr. Mugabe.

The former Zambian president, apparently feeling little choice, legalized political party activity in December after food riots and an attempted coup. Mr. Moi has refused to allow the formation of opposition parties and threatened to crush demonstrators "like rats."

Mr. Moi has the relative advantage in Kenya of a stronger economy. Mr. Chiluba conceded in an interview that his campaign had been helped by conditions in Zambia — a lively labor movement and almost universal economic despair — that do not exist in Kenya.

On the diplomatic front, the Zambian elections may have a vital effect: It will be harder for the British government, the main foreign backer of Mr. Moi, to maintain its public silence about his conduct.

A British Conservative legislator, Anna Nicholson, in Lusaka as an election observer, said she planned to raise the contrast between Zambia and Kenya in Parliament this week.

"I think it's time we came out in the open for multiparty democracy," she said. "I think it is a disgrace that Moi has been able to get away with it for so long."

## Israel Renews Shelling of Lebanon Bases

Compiled by Our Staff From Dispatches

TYRE, Lebanon — Israeli and allied militia gunners shelled guerrilla bases of Shiite Muslim fundamentalists in southern and southeastern Lebanon on Tuesday, breaking a two-day lull, security sources said.

The sources said the sporadic 155mm howitzer barrage began at midnight and continued past midmorning, focusing on three areas near Israel's self-designated border "security zone."

The targets included the area around the

market town of Nabatiyah, which took the brunt of massive air and artillery bombardment by Israel and its allied South Lebanon Army militia last week, the sources said.

That violence ended late Saturday after the United States was reported to have intervened with the Israelis in the interests of the peace talks in Madrid.

Other targets of the renewed shelling were fields around the villages of Mashgara, Dallah and Ein al-Tinah in the Bekaa, the valley in southeastern Lebanon, and the villages of Ka-

briha and Braaschit in the area controlled by Irish troops of the UN peacekeeping force, the sources said.

Guerrillas have killed six Israeli soldiers and wounded 11 since Oct. 20. They increased their attacks on the eve of Middle East peace talks in Madrid last week in an attempt to sabotage the negotiations.

Israel accuses Beirut and Damascus of failing to stop the raids by the pro-Iranian Hezbollah and other radicals. (AP, Reuters)

## MIDEAST: Golan Settlement Doesn't Help Talks, Baker Tells Israel

(Continued from page 1)

Palestinian streets to the peace conference," said Mohammed Qidwah, one of 13 nationalists elected to the board.

"It is a true expression of the Palestinian street's tendency toward peace and its support for the Palestinian negotiators in Madrid," he added.

Nationalists aligned to Fatah and other mainline groups of the Palestine Liberation Organization won 13 of 16 seats on Monday in the first Chamber of Commerce elections in the Gaza Strip in more than 25 years.

Muslim fundamentalists, who regard the Gaza Strip as their pow-

er base, won the remaining three seats.

More than 90 percent of eligible voters, about 1,500 merchants, cast their ballots.

There are no municipal elections in the Israeli-occupied territories, so elections to professional and business associations are closely watched for their political significance.

Ibrahim Yazom, the head of the Islamic list that lost the elections, said: "These results were unexpected. It was a big shock for me."

The Muslim fundamentalist movement Hamas and Islamic Jihad, which became major forces in the Gaza Strip when a Palestinian uprising began four years ago, are

the main rivals to the PLO-backed Unified Leadership of the Uprising.

Hamas and Islamic Jihad, along with two Marxist PLO groups, have led a campaign against the mainstream PLO's decision to allow Palestinians from the territories to take part in peace talks.

Citing opinion polls it conducted, Hamas has asserted that it has the support of more than half the 750,000 Palestinians in the Gaza Strip.

But many Palestinians have said that worsening economic conditions and the failure of the revolt to achieve any tangible results had prompted many of the nearly 2 million Arabs in the West Bank

and Gaza Strip to support the peace conference in Madrid.

"People want peace because they are suffering," said Salman Hilo, one of three candidates elected from the Islamic list.

In another development related to the Palestinian issue, a three-day conference in support of Palestinian rights ended Tuesday in Tunis with a call for international protection for Palestinians in the Israeli-occupied territories.

The conference, organized by human rights groups in Tunisia, Algeria and Morocco, also urged an end to the construction of Israeli settlements on the West Bank and Gaza Strip. (Reuters, AFP)

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## Watanabe to Be Japan's Top Diplomat

By T. R. Reid

Washington Post Service

TOKYO—Michio Watanabe, a blunt, hard-hitting political veteran, was named Japan's top diplomat on Tuesday as a new government formally took office.

The country's new prime minister, Kiichi Miyazawa, went to the Imperial Palace on Tuesday evening to give Emperor Akihito official notice that he had formed a cabinet. It is an all-male cabinet dotted with old-guard politicians who have been involved in financial scandals over the years.

Left out in the shuffle for jobs was the former prime minister, Toshiki Kaifu. Opinion polls show that Mr. Kaifu was the most popular prime minister in years among the general public. The power brokers who run the dominant Liberal Democratic Party removed Mr. Kaifu in a closed-door meeting a month ago and named Mr. Miyazawa, 72.

In an inaugural cabinet meeting, Mr. Miyazawa instructed his 20 ministers to accept an immediate 10 percent pay cut until next March to help the government cover its most

recent Gulf war pledge of \$9 billion, Reuters reported from Tokyo.

[Vowing to clean up politics, he called on his aides to refrain from stock market and other trading, such as that involving costly golf course memberships, during their term of office. He also ordered them to quit their party factions.]

The cabinet choices announced by Mr. Miyazawa reflect his political debts. Important jobs were handed out as rewards to members of the various factions that supported Mr. Miyazawa in the intra-party election.

The most stunning choice was the appointment of Mr. Watanabe as foreign minister. Gruff, witty, and outspoken, Mr. Watanabe, 68, is famous for his humor, but he has been forced more than once to apologize for offensive remarks.

In 1988, he took aim at China, saying that "many people there are still living in caves—it's that kind of country." In the ensuing uproar, he apologized and resigned from his party post.

Mr. Watanabe caused more anger the same

year when he was comparing attitudes toward personal finance between Japan and "over there," a reference to the United States.

"When it comes to bankruptcy, we Japanese take it seriously," he said. "But over there, where credit cards are common, there are people, like the blacks, who say: 'We're bankrupt! We don't have to pay our bills any more, that's all.'"

Again, uproar ensued, and Mr. Watanabe apologized. Since that comment, he has talked to several American black leaders and has made contributions to the United Negro College Fund.

Despite this undiplomatic history, Mr. Watanabe was able to claim the Foreign Ministry portfolio because he is himself the leader of an important faction within the Liberal Democratic Party.

In addition to Mr. Miyazawa and Mr. Watanabe, both implicated in the 1988 Recruit Co. stocks-for-influence case, the new government includes several men who were forced to quit earlier positions because of involvement in financial scandals.

## WOMEN: Where Have They Gone? Tens of Millions Are Lost in Asia

(Continued from page 1)

national total and more than are missing in any other country.

A UN report this summer, "The World's Women," found that other countries with very low ratios of females include Afghanistan, with 94.5 for every 100 males; Bangladesh, 94.1; Bhutan, 93.3; Nepal, 94.8; Pakistan, 92.1; Papua New Guinea, 92.8, and Turkey, 94.8.

"Millions of women have died because they're women," said Sharon Capling-Aikija, director of the UN Development Fund for Women, adding that mothers as well as fathers were responsible.

"In most societies, women are the bearers of tradition, and if decisions are made between boy children and girl children, women were involved in making those decisions."

While the countries with shortages of women are all quite poor, it is not inevitable that poor countries will mistreat and kill their females.

In sub-Saharan Africa, for example, poverty and disease make life perhaps more grim than on any other continent, yet there are 102 females for every 100 males.

In Latin America and the Caribbean, there are equal numbers of males and females.

Even within India, there are huge differences. The southern state of Kerala, which is among the best educated, has a ratio of 104 females for every 100 males, almost the same as in the United States and Europe.

Despite the immense number of missing females, it is virtually impossible to find tangible support for the statistics.

Strolling around Chinese villages, one can easily find out about

girls who died of pneumonia or some other disease, but it would be difficult to prove that they were victims of their sex.

It is only in the overall statistics that the shortfall becomes clear.

A study published early this year by a Swedish expert, Sten Johansson, suggested that in countries without strong patterns of discrimination, about 130 infant boys die for every 100 infant girls.

In China, however, only about 112 boys die for every 100 girls—presumably because boys are favored.

The Swedish study calculated that these data point to 44,000 female deaths each year that are the result of unequal treatment, just among infants less than 1 year old.

Likewise, two studies in India reportedly found that for most of the first year of life, girls had lower mortality rates than boys, but that later in infancy boys did better than girls.

This may be because early in life the infants are fed from the breast, which is gender-blind. Parents later may favor their sons in allocating food and medical treatment.

Perhaps the most challenging problem statistically is to determine the number of missing females around the world. The difficulty is to derive the sex ratio that would exist in a population if males and females were treated equally.

The ratios in Western countries are perhaps inapplicable to developing countries because of the difference in age structures. A population with a lower average age should have a higher proportion of males, because children are disproportionately male.

This a country with a short life

expectancy or with a rapidly growing population—both reasons for a low average age—would have relatively fewer females than a Western nation.

Even so, the 2 percent surplus of females in sub-Saharan Africa and the 4 percent surplus of females in Kerala may suggest that those ratios are benchmarks for the Third World if it were gender-blind.

If one picks a ratio, such as 103 females to 100 males, as the one that would prevail in an equitable developing country, that would indicate that more than 100 million

females are missing around the world.

Huang Baoshan, a spokesman for China's State Family Planning Commission, suggests that at least in China a significant number of the missing females are very much alive but have eluded census takers because peasants officially limited to one or two children are reluctant to report the birth of a daughter.

Still, before the one-child policy was introduced a dozen years ago, there was no obvious reason to underreport girls. Yet even then, millions of girls were missing.

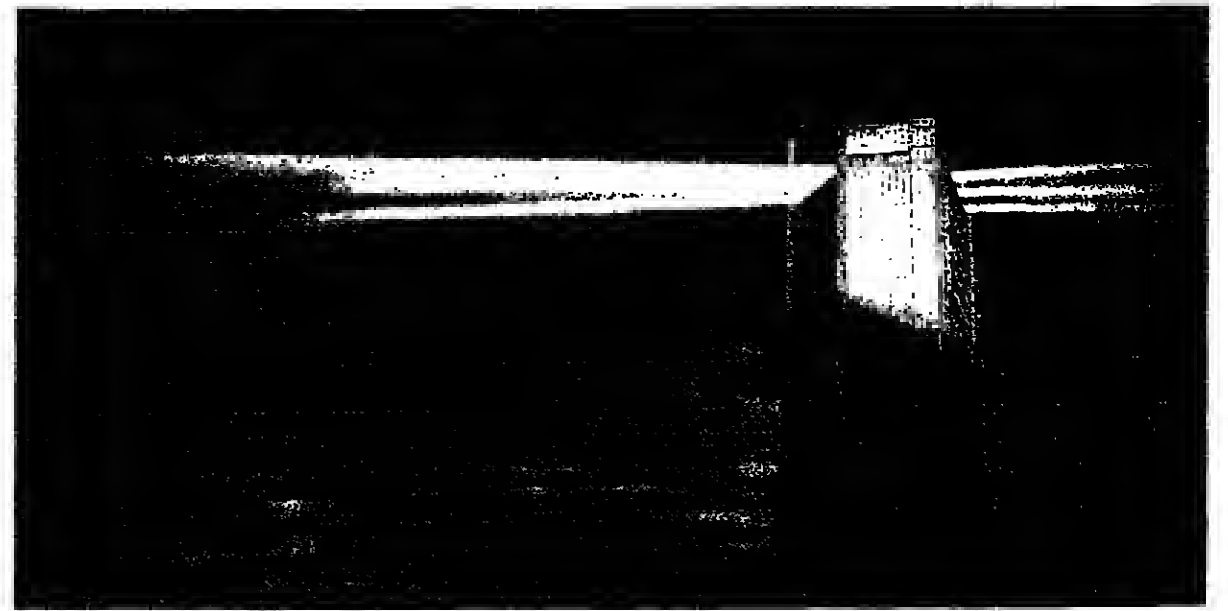
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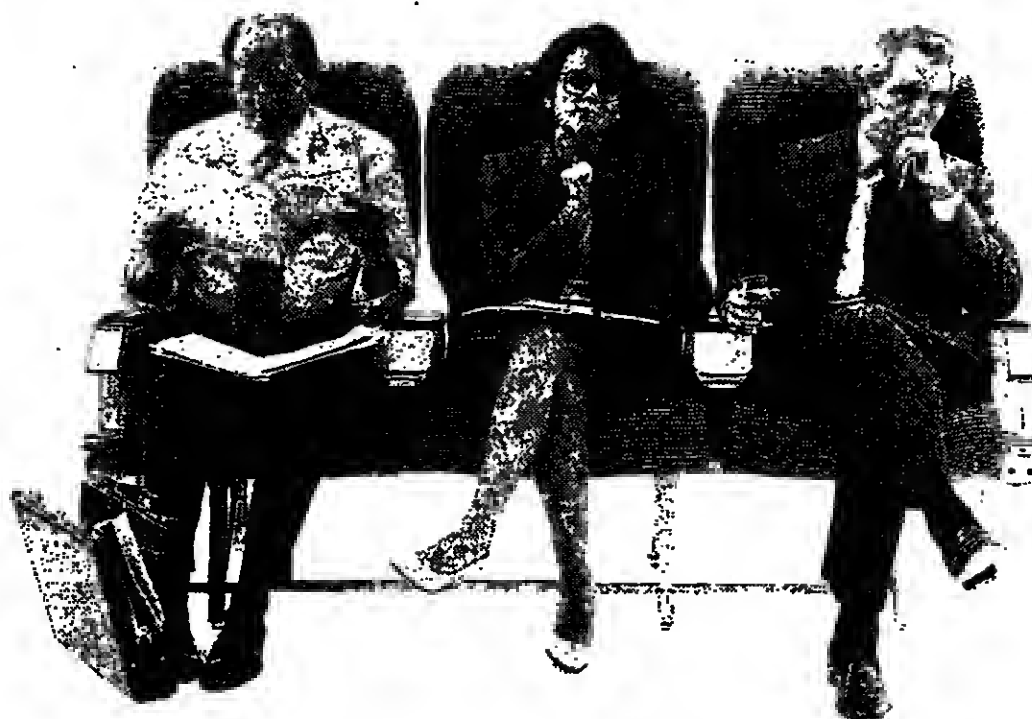
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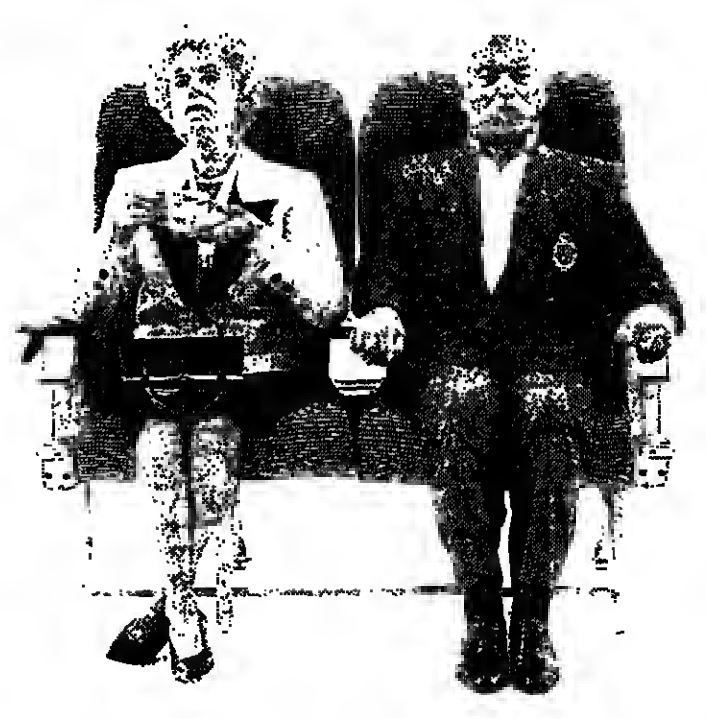
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EXP-92



By Don Oberdorfer

A State Department official said the Chinese calutron could at best make "infinitesimal quantities" of enriched uranium needed for nuclear weapons, unlike the calutrons found in Iraq which have been made in neighboring Iraq as part of a weapons-making effort. But the official also said it was possible the device "could be re-engineered" by the Iraqis to make better calutrons, and therefore poses a risk of transfer of significant bomb-making technology.

Rouge forces in Cambodia. Before the rift in the late 1970s, relations were so close that China helped the Communist government in North Vietnam. Nearly 1,100 Chinese men died during the Vietnam War, according to a recently published Chinese book.

In his announcement Tuesday, Mr. Jiang hinted that relations would be cordial but not brotherly in the way they had been during the Vietnam War.

"It is abnormal for China and Vietnam to be in a state of confrontation," the agency quoted Mr. Jiang as saying. "But it is also unrealistic for Mr. Jiang to return to the status in the 1970s or 1960s."

Direct telephone talks were resumed in September, and China began restoring its side of a rail line to Hanoi earlier this month.

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# Catalonia

## Barcelona Searches For Office Sites in Construction Boom

### New Infrastructure Aids Expansion

**BARCELONA** — The explosion in Barcelona's office rents over the past five years has put prices on a par with Frankfurt's, even though the Catalan capital still has a long way to go before fulfilling its ambition of becoming a financial center.

Bounded by mountains and the sea, Barcelona suffers an acute shortage of land. The flood of foreign investment since Spain joined the European Community in 1986 and the preparations for the 1992 Olympics have caused demand to skyrocket.

"Barcelona's phase of rapid growth has been parallel to Madrid's, but with a time lag of between one to two years," said Bernard Lubin Durand, who heads the Spanish arm of the British chartered surveyors Weatherall, Green & Smith.

Monthly rents in the prime office area of Passeig de Gràcia, Barcelona's central artery, and on the Avenida Diagonal before Francisco Marica street are 4,500 pesetas (\$42) a square meter, almost four times as high as in 1986, though considerably less in dollar terms because of the peseta's sharp appreciation.

In Madrid's equivalent of Barcelona's Passeig de Gràcia, the Paseo de la Castellana, monthly rents are currently 5,200 pesetas a square meter.

Rents in outlying districts of Barcelona, such as San Cugat or near the airport, are between 2,000 and 2,500 pesetas per square meter a month.

However, rents have not risen for the past year, as the Spanish economy has slowed down and a highly speculative period in real estate has touched its ceiling.

In a survey of 10 cities around the world conducted by the British

Foreign investment and the 1992 Olympics have caused demand to skyrocket.

bank Barclays and published last June, Barcelona was named as the most expensive city for business travelers. Daily subsistence costs in Barcelona at that time amounted to £209 (\$355), as well as £75 of additional business costs. Frankfurt was the second most expensive city in the Barclays rating.

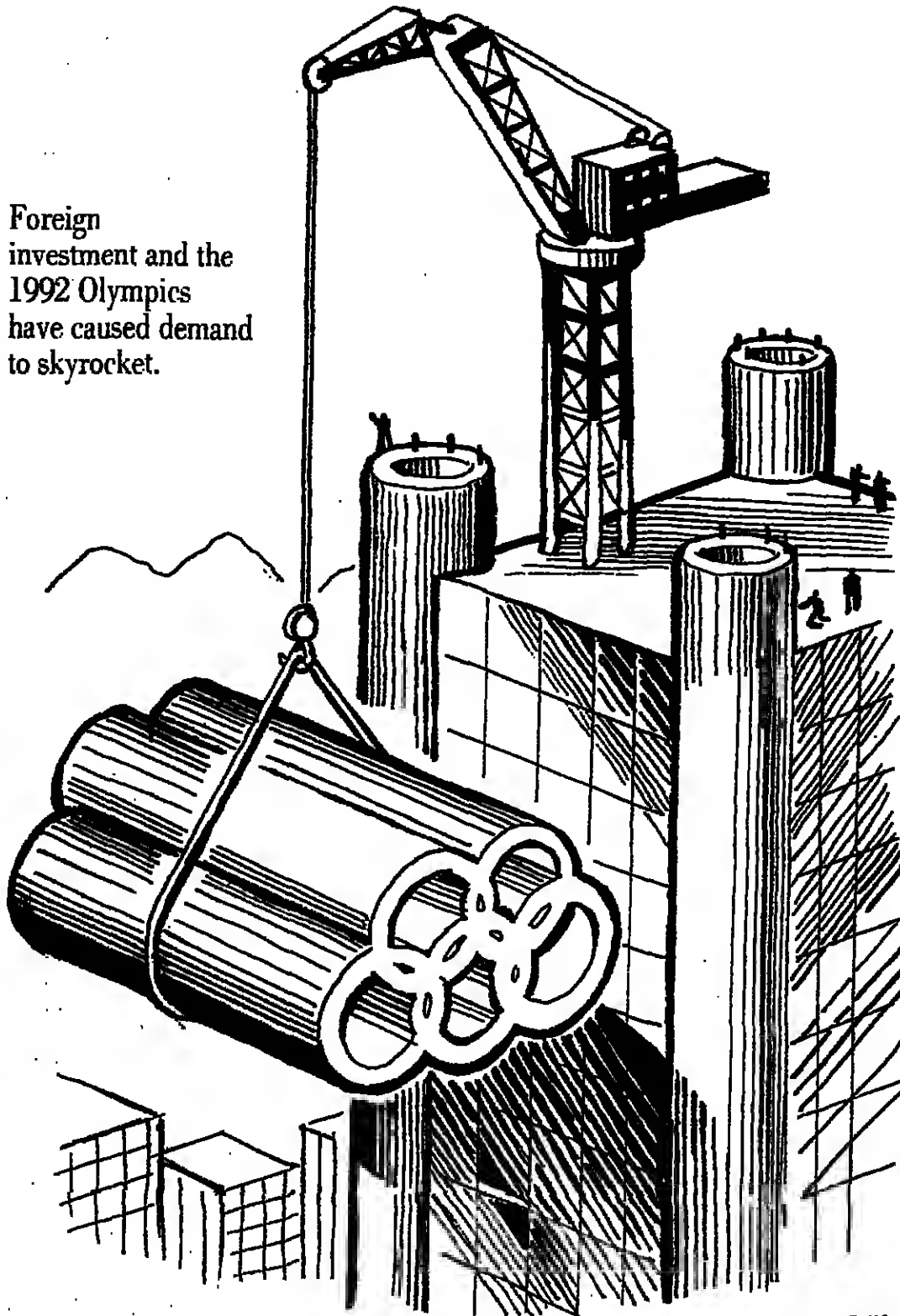
Barcelona has eased its space problem and traffic congestion by building ring roads and tunnels, which quickly link the outlying districts with the center of the city. The tunnel to San Cugat, opened a year ago, has reduced driving time from the center of Barcelona from 30 to 10 minutes, though a round-trip costs 650 pesetas.

The pressures placed on Barcelona have forced it to develop sites on both sides of Mont Tibidabo, in the valleys and out toward the airport. Out of town, new business zones are being developed at a fast pace. Indeed, Mr. Lubin Durand sees the beginning of an oversupply with so much new office space coming onto the market over the next two years. It is estimated that 1.2 million square meters is under construction or has been approved in central Barcelona and the periphery.

**L**IKE PARIS with La Défense and Lodoon with the Docklands, Barcelona is decentralizing. The Barcelona equivalent of La Défense is the old industrial area by the waterfront, which is the site of the Olympic Village for the 1992 Games.

Part of this transformation is the construction of a hotel and more than 100,000 square meters of offices by G. Ware Travelstead, the U.S. developer. The Olympic Village apartments will be sold af-

Continued on page 13



## Autonomists Get a Lift From Soviet Collapse

### Message to Madrid: 'We Are Different'

By William Chrislett

**BARCELONA** — Emboldened by secessionist movements in the Soviet Union and Yugoslavia, Catalonia, the powerhouse of the Spanish economy, is pushing for greater autonomy from the central government in Madrid.

It says a lot about the current state of relations between the two sides that they are arguing about such a seemingly trivial matter as changing the name of Girona (the name in Castilian Spanish of one of the Catalan provinces) to Girón (its name in the Catalan language).

The conservative nationalist party, Convergència i Unió (CIU), which has run the Generalitat, Catalonia's government, for the past 11 years, requested the name change. The Socialist central government in Madrid, however, wants both the Castilian Spanish and Catalan names to exist side by side. Meanwhile, some nationalist drivers in Girona, or Girón, have taken the law into their own hands and changed the first two letters on their license plates from GE to GI, at the risk of a fine.

"The Socialists are terrified of recognizing in an official way that Spain is a pluricultural and plurilingual nation," said Miquel Roca, the leader in the Madrid national parliament of the CIU, which is Spain's third largest party. (Prime Minister) Felipe González made a big mistake by being so reticent toward recognizing the Baltic republics because it showed that he is afraid of his problems at home."

The Generalitat was first established in 1354, and the Gothic palace in the heart of old Barcelona is still the seat of the government. In 1714, the last remains of self-government were abolished but the incoming Bourbon dynasty, autonomy was restored again during the period of the Spanish Republic, before the civil war, and then suppressed during the 1939-1975 dictatorship of Franco. Two years after his death the Generalitat was re-established.

Spain's 1978 democratic constitution laid the foundations for a semi-federal state, leading to the establishment of 17 autonomous communities, some of them artificial, such as Madrid, which had never enjoyed a degree of self-rule. As one of the "historical nationalities" (along with the Basque country and Galicia), Catalonia complains that it is still too

much under the thumb of Madrid. Catalonia's biggest complaint in the financial sphere is that, unlike the Basques, they have very limited tax-collection powers.

"Nothing will be resolved until the rest of Spain understands that Catalonia is different," said Mr. Roca. "It is not that we want to be different. We are different." Quoting Spain's best-known 20th-century philosopher, José Ortega y Gasset, Mr. Roca said: "The Catalan problem is neither understood nor accepted. It is one that has to be put up with."

The ruling Socialists reluctantly accept the so-called *hecho diferencial*, the differentiating factor that separates Catalonia from the rest of Spain's regional communities, but they are fearful of opening up a Pandora's box of demands from other autonomous communities and weakening central government.

"Madrid faces a dilemma," said Juan Tapia, editor of *La Vanguardia*, the leading Barcelona daily. "How can they give more to Catalonia without annoying the other communities?"

According to a survey published last month in *La Vanguardia*, only 10 percent of those questioned were in favor of independence. Most of these votes would go to Esquerra Republicana, a leftist party in favor of re-establishing a republic in Spain. Mr. Tapia said this figure rose to 25 percent when the independence question was put more vaguely.

**A**FTER the events in the Soviet Union in August, Jordi Pujol, president of the Generalitat since 1980, said that Catalonia had "the same rights" as Lithuania and the only difference was that "the Lithuanians have chosen to exercise their rights through independence and we have chosen to do so through autonomy."

Mr. Pujol insists that Catalonia is a nation and not a region; a prominent billboard at Barcelona's new airport says, in Catalan, "Catalonia, a country in Europe."

The Baltic developments could not have come at a worse time for Madrid because they are fueling nationalism just when talks are under way for a new system of financing Spain's quasi-federal state. The current system is due to expire next January.

Catalonia feels particularly discriminated against. According to Macia Alavedra, economy minister in the Generalitat, Catalonia receives from the state 74,410 pesetas (about

Continued on page 13

## Exports Power the Auto Industry

By Gayle Allard

**BARCELONA** — As the world auto industry slumps, Spain's "little Detroit," the Catalan region, stays healthy, thanks to a strong export market and the capital injections and high standards of the car multinationals operating here.

The Catalan industry shows many of the same strengths and shortcomings as the Spanish auto industry as a whole. It is a leading exporter and employer, and is on the cutting edge of new industrial technologies. But it is also foreign-owned, with rising labor costs and declining local sales, and unions are resisting industry efforts to link pay and productivity.

Catalonia is home to much of Spain's automobile industry. SEAT (Sociedad Española de Automóviles de Turismo), the state-owned giant sold to Volkswagen in 1985, is the largest company by sales in the Catalan region (eighth largest in Spain), with revenues of 460 billion pesetas (\$4.3 billion) in 1990. It has been operating in Barcelona's Zona Franca since the 1950s, and is now putting the finishing touches on a second factory at Martorell.

Nissan Motor Iberica, Catalonia's fourth-largest firm with sales of 153 billion pesetas last year, produces trucks, vans, and four-wheel-drive vehicles at its Zona Franca plant. The company started out as Ford Motor Iberica in the 1920s, and a participation was sold to Nissan in 1980, which has been raised to the current 67 percent. Pegaso, the national truck manufacturer recently sold to Fiat, also has a plant in the Zona Franca, and Mercedes-Benz España produces vehicles at a plant in San Adrián.

The big carmakers are supplied by dozens of parts and components manufacturers in the surrounding area, stimulating local industry. Many, like Bendix España, Productos Pirelli, or Mecanismo Auxiliares Industriales, are large companies owned by foreign multinationals: Pirelli, Catalonia's 19th-largest company with sales of more than 56 billion pesetas in 1990, has more than 4,500 employees. Others are small, locally owned firms.

Altogether, the top 21 components manufacturers in Catalonia employ nearly 16,000 people and had sales of more than 145 billion pesetas in 1988, equivalent to more than 15 percent of the Spanish total. Also in the area are Spain's major motorcycle producers: Yamaha, at L'Hospitalet de Llobregat; Honda, at Cornellà; and Derbi, the only large Spanish-owned motorcycle maker remaining in Catalonia.

The Catalan industry forms part of a powerful sector that ac-



An assembly line at SEAT, Catalonia's largest company by sales, which has built a new factory in Martorell.

counts for 10 percent of Spain's employment, directly and indirectly, 21 percent of its exports and 11 percent of imports, and much of the nation's most important technological innovation. In 1990, carmakers gave a welcome boost to the ailing Spanish merchandise trade balance: Car exports were valued at 756 billion pesetas, compared with imports of only 455.6 billion.

At the end of the 1980s, the Spanish auto industry possessed about 80 percent of all of the robots then operating in the country. Spain is Europe's fourth-largest carmaker, ahead of Britain, and the sixth largest in the world. Catalonian carmakers have suffered from many of the problems plaguing the Spanish automobile industry. Spanish automakers saw their profits drop by 20 billion pesetas between 1989 and 1990, as domestic car sales dropped by 14.5 percent last year. The decline has continued into 1991: In March, sales slid by an alarming 27 percent compared with March 1990.

Car manufacturers blame the government for the hard times. High interest rates have dampened sales, while speculation over government plans to reduce the high value-added tax on cars — Spain's rate is 33 percent, one of Europe's highest — has led prospective buyers to postpone their decisions. Sluggish sales have led dealers and manufacturers to offer attractive discounts: One industry source estimates that official, publicized discounts alone cost the in-

dustry 55 billion pesetas last year. Meanwhile, domestic labor costs continue to climb. While labor costs in the automobile industry are still behind those of Germany, Belgium and Italy, they are higher than in Britain or France. And falling tariff barriers have brought down the price of imported cars by nearly 30 percent.

**W**HAT has saved automakers is the export market. Spanish automobile exports climbed by 20.33 percent last year, to more than 1.1 million units, and sales of trucks, buses and special vehicles were up sharply as well. Components exports were also up, by nearly 7 percent. The main buyers were other European Community nations.

The challenge for domestic carmakers is to update factories and production and management methods to reduce their costs and prepare for stiffer competition, especially from Japanese imports. Catalan firms are leading the industry in this area. SEAT, which has brightened up its image outside Spain since the Volkswagen takeover, began turning in profits in 1987 after 10 years of steady losses. It is now attempting to raise productivity by linking a portion of salaries to achievement of objectives.

"One of the keys is to integrate the worker into the firm," says Rafael Alvarez, the company's

general secretary, "through small groups of workers who are qualified and trained to perform many different functions, and with a spokesman who monitors their productivity." Unions, however, are putting up resistance.

Nissan Motor Iberica, meanwhile, is making major investments in technology to raise the quality of its products. It currently employs some 400 engineers at the Zona Franca plant, which has one of Spain's only independent vehicle design centers. The engineering and technical development department is linked by satellite to Nissan technical centers in Britain and Tokyo, enabling experts to work simultaneously on design problems. The plant also has a laboratory specializing in analysis of exhaust emissions.

Nissan has begun work on an 8 billion-peseta research and development center in the Vallès area near Barcelona (Catalonia's Silicon Valley) that will eventually house all its technical departments and employ some 450 people. Company sources say that Spanish-made Nissan products, when tested, show a similar or even superior quality to those made in Japan.

The carmakers have put down deep roots in Catalonia and their investment plans look far into the future.

Volkswagen is investing 200 billion pesetas in the new SEAT factory at Martorell, whose technological standards rival those of any of VW's home plants. The company has announced that despite the sales slump, it is still aiming for a 3 percent share of the European market by 1992.

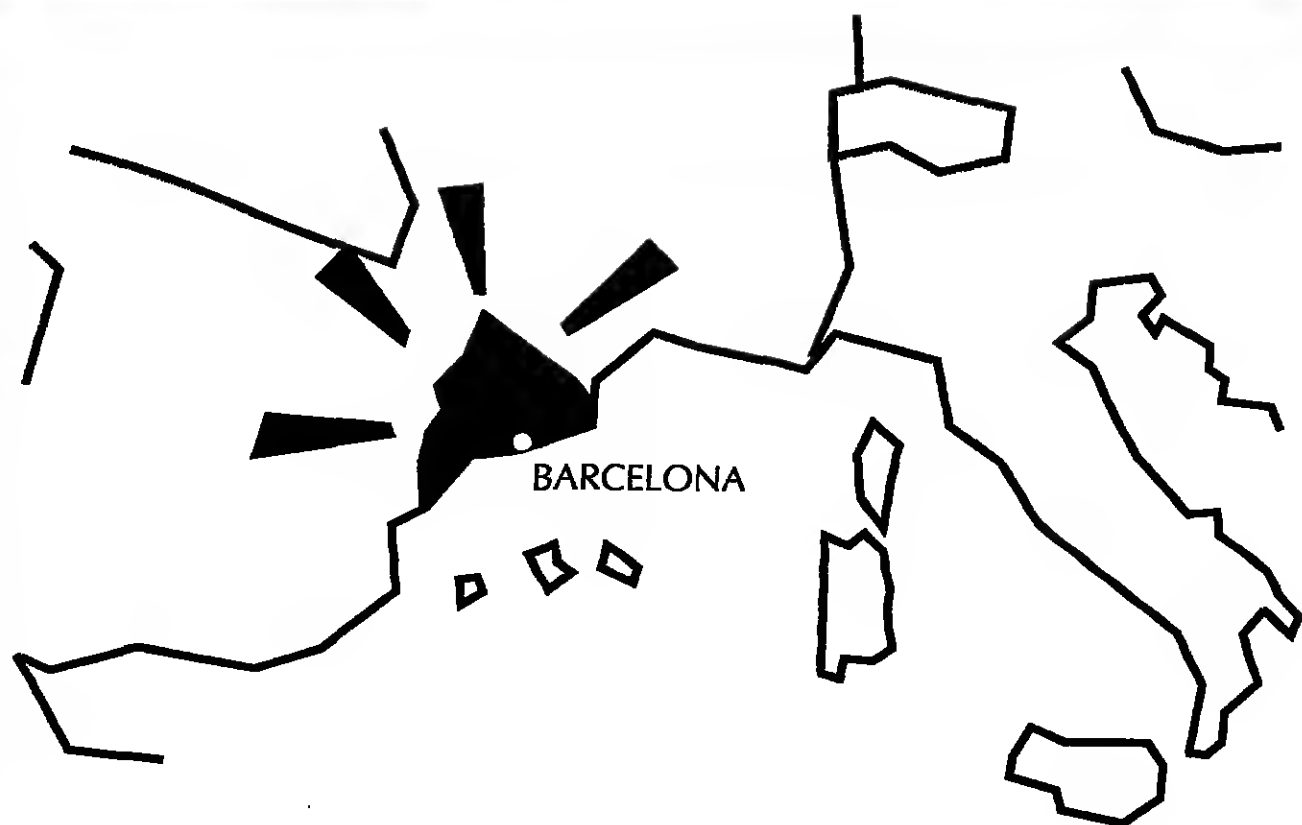
Nissan plans to invest 150 billion pesetas up to 1995, which will nearly double output at its Zona Franca plant, to 160,000 units. One new product will be the four-wheel-drive leisure vehicle, which it will produce at the Catalan plant beginning in early 1993 and distribute in collaboration with Ford in Europe.

Spanish automakers were in the forefront of the campaign to limit Japanese car imports, which culminated in an agreement in July to place a lid on imports equivalent to about 15 percent of the European market. But Catalonia is unlikely to join European calls to limit sales of so-called "transplants," or Japanese cars manufactured and sold inside Europe, in an effort to save local producers. With Nissan making major investments in research-and-development projects, and with Japanese cars forming a growing part of total Spanish exports, the presence of Japanese automakers in the region is an unquestioned asset.

GAYLE ALLARD is a financial journalist based in Madrid.



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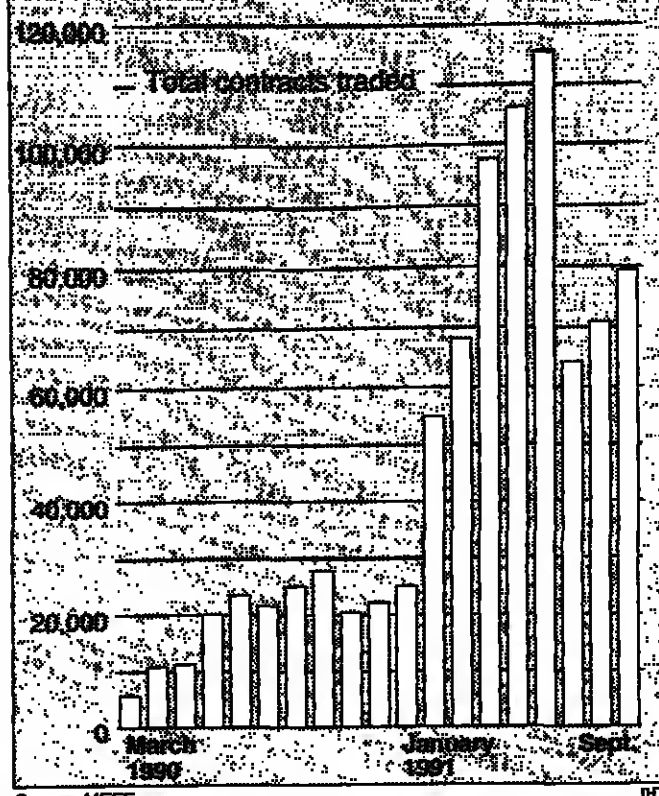
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## Catalonia / A Special Report

## Futures Market Lift-off



## Barcelona Takes an Option on Becoming a Financial Center

By Gayle Allard

**B**ARCELONA — Catalonia, which cherishes hopes of becoming one of Europe's financial hubs, has pulled off a coup by making itself the headquarters of Spain's young futures and options markets.

The futures market, or MEFF (Mercado Español de Futuros Financieros) started up operations in Barcelona in 1990 as a consolation prize for the Catalans, who feared a loss of influence for their local stock market with the advent of screen-based trading the previous year. A screen-based system hooks up traders via computer, making the actual seat of an exchange virtually beside the point.

The options market (MOFEX) was to be left in Madrid, in a division of functions that made only political sense. Now, Catalonia will become the headquarters for both markets, under the terms of an agreement signed last June that will merge MEFF and MOFEX.

In September, MEFF also moved into a new and promising market segment when it launched two currency futures contracts: the U.S. dollar-Spanish peseta and the Deutsche mark-Spanish peseta.

MEFF is doing a brisk business only a year and a half after it traded its first

contract, in treasury bonds, in March 1990. By the end of this September, it had traded a total of 870,494 contracts.

The volume is good for a market only 18 months old, but is tiny compared with the world's great markets. While MEFF traded 70,974 contracts during the month of August, the Chicago Board of Trade negotiated nearly 12 million and the London International Financial Futures Exchange traded some 3 million.

However, José Luis Oller Arino, chief executive officer for the new market, says the volume of business is in line with MEFF's aspirations. "Initially, the idea was to keep the peseta contracts in Spain; to keep the peseta instruments in-house," he says. "We are backed by smaller markets, and we are aware that we won't reach millions of contracts a year. What we wanted to do was set up something that would survive with a small volume."

To achieve this, MEFF has kept its overhead low and has employed a small team of 35 people, while relying heavily on electronic systems. One innovation has been MEFF's/MART, a global multimarket and electronic trading system based on the Danish system DARTS, which makes it possible to trade futures, options and other financial instruments simultaneously in different markets.

The efforts have paid off: MEFF has been turning profits since May.

Most of MEFF's trading has been in its three-year treasury bond. It has also traded more than 300,000 contracts for its MIBOR 90, a key short-term interest rate based on the 90-day Madrid Interbank Offered Rate, which was launched in October 1990.

In April, it introduced a contract for the five-year notional bond, which has had only limited success.

Futures contracts are traded either as a

**'What we wanted to do was set up something that would survive with a small volume.'**

hedge against a portfolio of a given commodity such as bonds or currencies or else to speculate on price movements. Traders put up a small percentage of the face value of each contract.

Contracts in the new currency futures are for \$100,000 or 125,000 Deutsche marks and are traded in March, June, September, and December. More than

1,200 currency contracts were traded in the last 10 days of September.

Mr. Oller says trading in this instrument is still slow, as banks are not used to dealing in currency futures. "Banks have to react to the fact that they have a new market," he says. "It usually takes a couple of months. The question is always whether you start trading a contract before banks are prepared, or whether you start trading it and force banks to react."

Under the terms of the agreement signed with its options counterpart in Madrid in June, MEFF is now to be turned into a holding company based in Barcelona and also called MEFF, which will own all the shares and coordinate the activities of both organizations. The former MOFEX, in Madrid, will handle futures and options on the stock index, and eventually trade futures and options in individual securities. MEFF, meanwhile, will keep most of the business, as it will trade both futures and options contracts in notional debt, MIBOR, and foreign currencies/peseta, along with other bond contracts.

"This was a Solomonian solution to resolve some competition between us," says a MEFF spokesman. "We could have handled all the business perfectly well. But the truth is that the largest weight, and the most appetizing part, has been given to us."

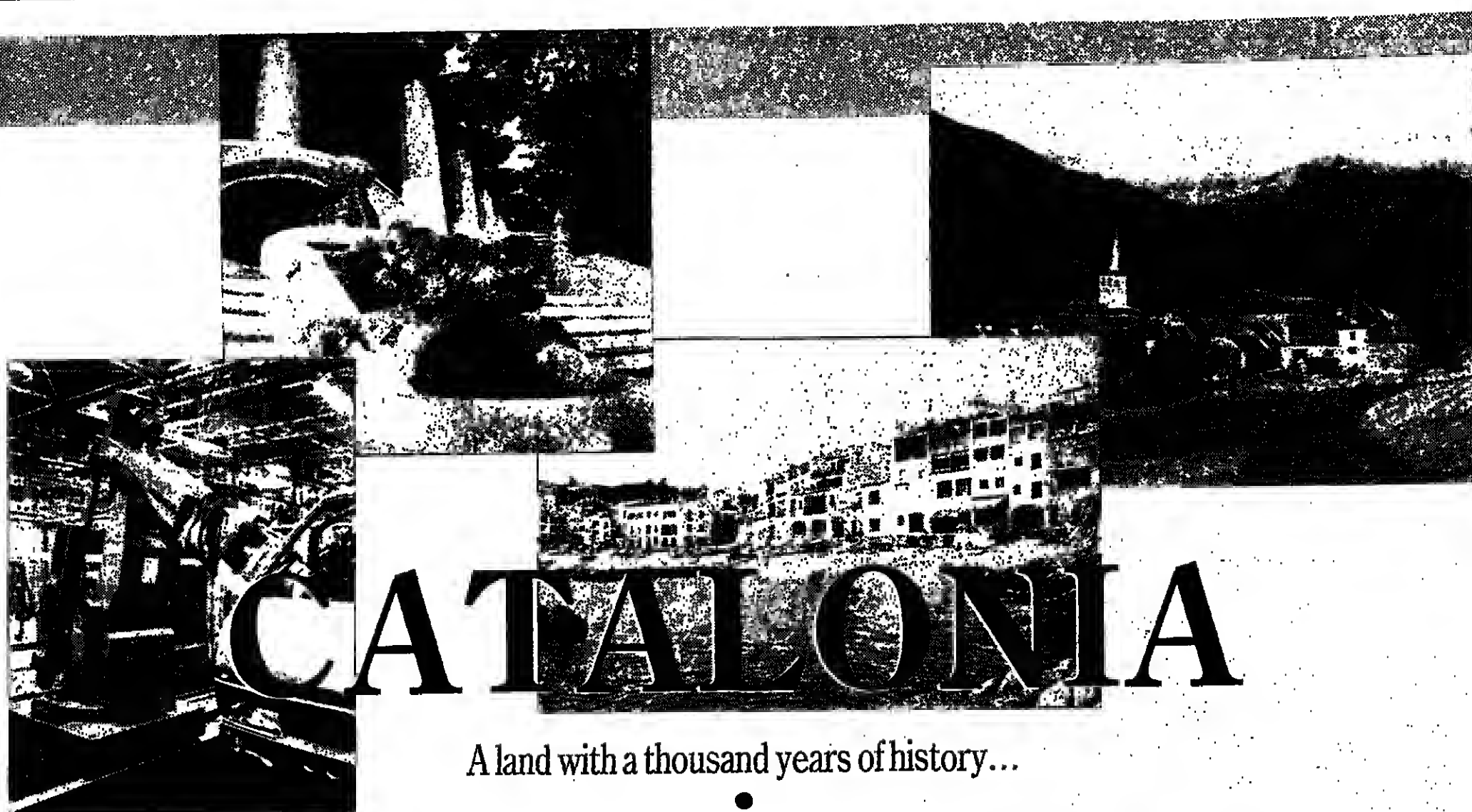
The outcome fits nicely into Catalonia's aspirations to become one of the financial hubs of a united Europe.

The Catalan region is already a financial center in its own right within Spain. It has an impressive savings bank and commercial bank network (its institutions accounted for some 23 percent of all of Spain's private-sector deposits last year and more than 19 percent of loans); it is waging a lively campaign to make Barcelona the site of the new European central bank, the Eurofed; and it is also exploring the possibility of establishing a second-tier stock exchange for medium-sized European companies in Barcelona.

Mr. Oller, who left his post as head of the Barcelona stock exchange to get the futures market off the ground, says the location of MEFF in Barcelona has given Catalonia a great morale boost.

"For the first time in many years," he said, "a significant innovation in the financial market in Spain has been not only set up, but promoted, from Catalonia. Our wish is that it will set off a change in attitude both in Madrid and here."

Barcelona's leading economic and political institutions have formed an organization called Barcelona Centre Financiero Europeo to promote further projects in this direction.



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Barcelona, one of the key cities of the Mediterranean, is now busy preparing for the 1992 Olympic Games.

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Av. Diagonal 403 - 08008 Barcelona, Spain



## Catalonia / A Special Report

## Tàpies Puts His Stamp on City Art Map

**International Herald Tribune**  
**B**ARCELONA — Just 18 months after its opening to the public, the Fundació Antoni Tàpies is assured of having earned a place on the Catalan art map. The foundation-museum continues Barcelona's celebration of its contribution to 20th-century art, exemplified by the Picasso Museum and Miró Foundation. The city's cultural picture should become more complete with the inauguration, set for 1994, of the Museum of Contemporary Art.

Meanwhile, the 34-year-old director of the Tàpies museum, Manuel Borja-Villiel, plans to add more to the foundation's program. To start with, he would like more visitors. They totaled about 70,000 in the first year, principally from the ranks of professionals and academic circles. An outreach program to start in 1992 aims to attract people from the neighborhoods, and Mr. Borja-Villiel said he would not mind some of the city's tour bus traffic.

Another goal is to increase this year's museum operating budget of 140 million pesetas (\$1.3 million) by about 20 percent next year, to have more funds for exhibitions and activities. The foundation is in a late 19th-century red brick Modernist building just off the fashionable Passeig de Gràcia. The city of Barcelona paid \$6 million to acquire and adapt the building for museum use, and then provided it to the foundation, which Tàpies formed with family members and friends in 1984. His son, Miquel, is the foundation director.

The museum's first artistic controversy emerged after the artist topped the building with an aluminum and stainless-steel sculpture called "Cloud and Chair." It measures more than 12 meters (40 feet) tall and 24 meters (76 feet) long. The idea was to creatively use the roof, which was framed by masonry buildings on either side of the museum.

Barcelonians' leading economic and political institutions have formed an organization called Barcelona Centre Financiero Europeo to promote further projects in this direction.

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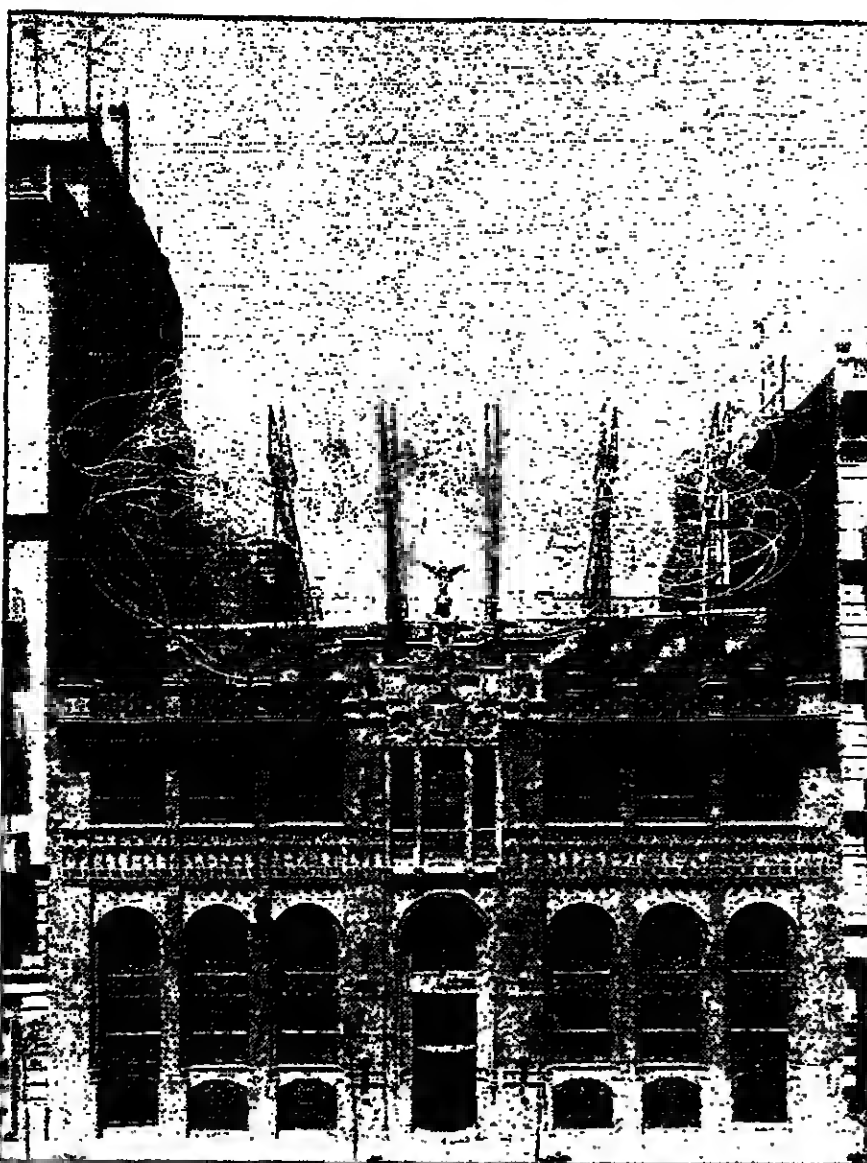
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The Tàpies building with its "Cloud and Chair" topping.

Villiel prefers instead of "informalism" to describe Tàpies's later work.

An exhibition on display through next Jan. 5 features 18 works, from the winter of 1951, on synthetic textile mats that Tàpies typically uses to protect his studio floor. He combined various, plastic paint and collage, principally in blacks, browns and whites, to fashion some of his recognizable icons, such as a cross or a chair.

One work, "Landscape," shows the Montseny mountains seen from his country home-studio, 65 kilometers (40 miles) north of Barcelona. He also keeps a studio in the city, where he was born 67 years ago.

The foundation promises a constantly changing view of the permanent collection. Two exhibitions for next year will show his matter paintings, and works in which he used varnish as a key visual element.

Mr. Borja-Villiel also has launched a series called "Anxiety of the Influences," in which other artists, poets and philosophers get to choose from among the Tàpies collection and

mount their personal interpretation of his work. Catalan artist Antoni Llena inaugurated the series earlier this year.

Some criticized Llena's view as being a homage to Tàpies. There were raised eyebrows, too, when the public was allowed to walk on top of new, large brush-stroke paintings on pressed board that Tàpies contributed to Llena's effort.

The museum also presents outside exhibitions that establish a "dialogue" with the Tàpies collection, Mr. Borja-Villiel said. These have included works by the French artist Louise Bourgeois, the American photographer Garry Winogrand and the Greek-born artist Jannis Kounellis, based in Rome, and showing through Jan. 5.

The activity unfolds at the three-level exhibition space, permeated with soft natural lighting. There is a 140-seat auditorium for seminars and a 6,000-volume research library, whose nucleus is Tàpies's collection of books on Far Eastern art.

Al Goodman

## Olympics Speed Region's Urban Renewal

By Al Goodman

**B**ARCELONA — Just three kilometers north of Barcelona, the industrial city of Badalona has lately been moving pollution-prone factories off its Mediterranean coastline so that beaches can be reclaimed and the city can clean up its image. The 1992 Olympics are just what the doctor ordered.

"What they might have done [in urban renewal] in 10 years, they have done in two years," said Miquel Orin, in charge of subsidies for the Barcelona Olympic Organizing Committee (COOB).

As official host for the Summer Games, Barcelona will get most of the 28 Olympic sports. But basketball, baseball and nine other sports are to be played in smaller cities, called suburbs.

Badalona is the most important suburb. It will host basketball and boxing, and provide housing for 5,000 of the journalists covering the games, from July 25 to Aug. 9.

Badalona city hall is paying for only about one-fourth of the \$300 million in Olympic-related investment (public and private) in and around town, according to Joan Blanch i Rodríguez, the mayor of Badalona.

One big prize is the new, 12,500-seat basketball arena. Inaugurated last September, the \$26 million, elliptical-shaped arena is equipped with skylights, a playing court made of Canadian maple and locker-room doors measuring 2.5 meters (8 feet) tall.

The subsidies will host at least the elimination rounds for selected sports and in some cases, the finals. Baseball makes its debut with Olympic medals in 1992 and will be played entirely at suburbs.

The subsidies were chosen, Olympic officials say, because Barcelona wanted to make the Olympics an event for all of Catalonia.

These 15 affiliated cities range in population from 9,000 to more than half a million. Most are in Catalonia. Like Barcelona, they have used the steady flow of Olympic money not only to prepare stadiums and arenas, but also for urban renewal of roads, housing and industrial parks.

Basketball took hold in Badalona in 1930, a key reason the city was selected as the Olympic venue. Badalona has 230,000 residents and more than 200 basketball courts, where hundreds of organized games are played weekly.

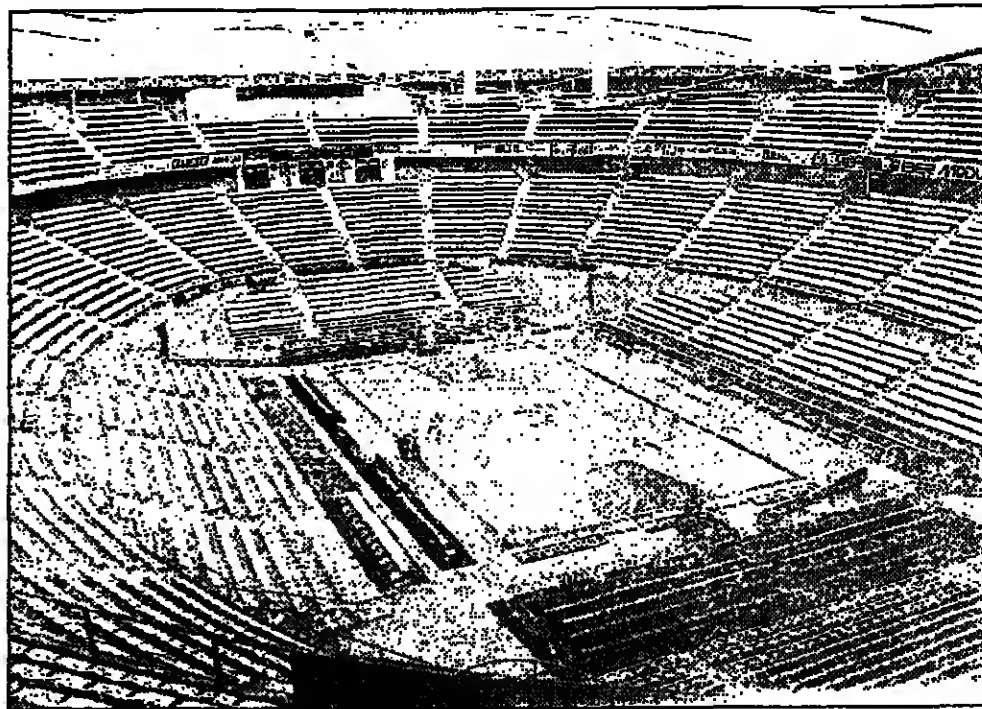
The city's professional team (it once had three), Montigala Joven-tut Badalona, is a powerhouse in the Spanish national league. The

teams moved into the new basketball arena this fall and its season-ticket holders more than doubled.

The team's former home is a 5,500-seat arena built 20 years ago. A squat concrete building nestled among high-rise apartments, it is being refurbished to host Olympic boxing.

Although designated as the basketball venue, Badalona later had to lobby Olympic officials to prevent them from taking the basketball finals to Barcelona. In the end, Badalona got the whole competition, Mr. Blanch i Rodríguez said.

In addition to basketball and baseball, all competitions in boxing, rowing, field hockey and canoeing will be contested at suburbs.



Badalona's \$26 million basketball arena; Mayor Joan Blanch i Rodríguez.



Some of the towns involved claim special links to certain sports.

L'Hospitalet and baseball are not yet on intimate terms like Spain and bullfighting, but Mayor Juan Ignacio Pujana is betting that his city will become Spain's reference point for baseball.

Along the way, he says, the Olympics should improve L'Hospitalet's image. The city of 276,000 residents is Catalonia's second largest, but it suffers from a tag as a drab bedroom appendage of Barcelona.

L'Hospitalet's baseball team, Hercules, plays in the first division of the Spanish league. But Spaniards basically are newcomers to the game. A pre-Olympics training program has introduced 600 local youths to baseball in the last few years and almost half of them now are on teams. The international arm of America's Major League Baseball organization is helping with the training, local officials explained.

The new \$12 million cement baseball stadium will seat 7,000 during the Olympics, a small capacity compared to American major league ballparks. But L'Hospitalet stadium's center field fence is a professional-standard 390 feet (122 meters) from home plate.

The stadium hosted an international baseball tournament last summer and since then, COOB has fixed drainage problems on the grass field and was finishing park-

ing lot fences and other details. Mr. Pujana temporarily delayed official acceptance of the stadium until the work was done, fearing that city hall might have to pay the final costs of preparing it for the Olympics.

SOME of the games in next year's eight-team Olympic baseball tournament (including the United States, Japan and Cuba) will be played at the 4,000-seat stadium in the nearby city of Viladecans.

Other suburbs include the wine-making town of Sant Sadurn d'Noya (roller hockey) and Pyrenees winter playground La Sen d'Urgell (white-water canoeing). Some equestrian events will be held north of Barcelona at a private riding club that is not officially considered a suburb.

The only competitions outside of Catalonia will be elimination soccer matches in the major cities of Zaragoza and Valencia.

COOB will spend some \$280 million — 20 percent of its budget — on the suburbs. On top of that comes many other Olympic-related investments in these cities. With stadiums and arenas that have combined seating for 173,000, the suburbs also expect Olympic spectators to spend plenty of pesetas on food and entertainment.

AL GOODMAN reports from Spain for National Public Radio.

## Autonomists Get Lift From Soviet Events

Continued from page 11

\$700) per inhabitant, compared with 79,180 pesetas for the four other communities with similar powers of autonomy and 140,880 pesetas in the Basque country.

Far from showing a lack of solidarity with Spain's poorer regions, Mr. Roca says Catalonia's request for more money is for the good of Spain as a whole. He argues that Catalonia's costs are higher because, as one of the "motors" of Spain's economic growth (well above the European Community average for the past six years), its needs are greater. If it does not maintain its position as generating more wealth than other regions, then all Spain will suffer, he says.

The central government, wrestling with stubbornly high inflation, budget deficit overshoots and a growing current account deficit, feels that the autonomous communities borrow and spend far too much and are undermining its efforts to control costs.

According to the Bank of Spain, Catalonia's total debt rose from 48.3 billion pesetas in 1981 to 236.6 billion pesetas in 1990. Mr. Roca's

reply to this is that if Catalonia was able to collect income tax itself, it would not have to borrow so much to cover the delays in transfers from Madrid.

UNDER the present financing system, the Spanish state collects income tax in Catalonia and returns a portion of it. "If we collected it ourselves, we would be more efficient as we know the area better," said Mr. Roca. The Generalitat also feels that it should receive more if it collects more, which would give it an incentive to crack down on Spain's notorious tax fraud.

While the two sides are at loggerheads over devolution of power, Barcelona is having some success in its bid to become a financial center and take some of the spotlight off Madrid.

Barcelona's futures exchange has been more successful than Madrid's options market (the two markets were artificially split for political reasons by the central government) and under a new deal Barcelona is to carry out all trading of fixed-income derivatives (the bulk of the business) and Madrid stock derivatives.

Discussions are under way with the London-

based rating firm IBCA to set up Spain's first real rating company in Barcelona and there are plans to develop a commercial-paper market for small and medium-sized companies, the backbone of the Catalan economy.

Tensions with Madrid can be expected to rise in the coming months as Catalonia negotiates its new financing agreement and prepares for next April's elections for the Catalan parliament. There is no doubt that Mr. Pujol's party will be re-elected.

Some analysts believe that Catalonia's only chance of winning more power from Madrid will be if the CIU is asked by the Socialists to form a coalition government after the next general election, which must be held by October 1993. It is far from certain that the Socialists will win an absolute majority for a fourth term and the CIU's seats could make all the difference. "This is the CIU's strongest card," said Mr. Tapia.

But the personal relations between Mr. Pujol and Prime Minister Gonzalez are bad and the horse-trading would be intense.

WILLIAM CHISLETT is a Madrid-based journalist.

## Barcelona Building

Continued from page 11

ter the Games to private owners.

At the other end of Barcelona on the Avenida Diagonal near the Hilton Hotel and not far from the sleek black tower that is the headquarters of La Caixa, Spain's largest savings bank, the Swiss insurance company Winterthur is building 44,000 square meters of offices, plus hotel apartments, shopping areas and parking for 2,500 cars. After the Olympic Village, this is the largest new private development in Barcelona.

Just on the other side of Avenida Diagonal, Prims Inmobiliario, one of Spain's biggest developers and the Caja de Madrid, the second largest savings bank, are building 30,000 square meters of offices.

A bit further out from the city, San Cugat is home to several business parks. The British developer Higgs & Hill is building 20,000 square meters of office space distributed among four buildings surrounded by gardens.

The largest project is the Augusta business park, billed as the biggest in southern Europe by Dorn, the Canlan group, which is developing an area covering one million square meters. The total constructed area will be 500,000 square meters, including buildings designed for use as company headquarters. Companies have already started to relocate outside the city center. There will also be complementary services such as a hotel, restaurants, shopping complex and parking for 11,000 cars.

The Generalitat, the government of Catalonia, also has a business park where Deutsche Bank has its new headquarters for Spain. Near the airport is the Porta de Barcelona business park,

whose constructed area will be 127,000 square meters. The first building was completed in June.

Apart from the shortage of space in central Barcelona, another reason for decentralization is that the security of tenure at very low rents for pre-1985 tenancies inhibits the redevelopment or refurbishment of properties.

Legal changes in 1985 have freed up the market but the difficulty of moving tenants with existing occupancy rights keeps the market narrow. The total stock of offices in central Barcelona is only 650,000 square meters. 25 percent of which are located in older buildings and 16 percent comprising refurbished accommodation. This stock could be increased if older residential and mixed residential/office buildings could be converted more easily.

Until May 1985, tenants enjoyed full security of tenure. They would normally sign a lease of one to three years subject to annual indexation, and they could occupy the space for as long as they wished after expiration of the term, but subject to the conditions stipulated in the original lease.

Since then, landlords have been able to exclude this automatic security of tenure from leases and there is now annual indexation and open-market rent reviews when the third year of the lease is up.

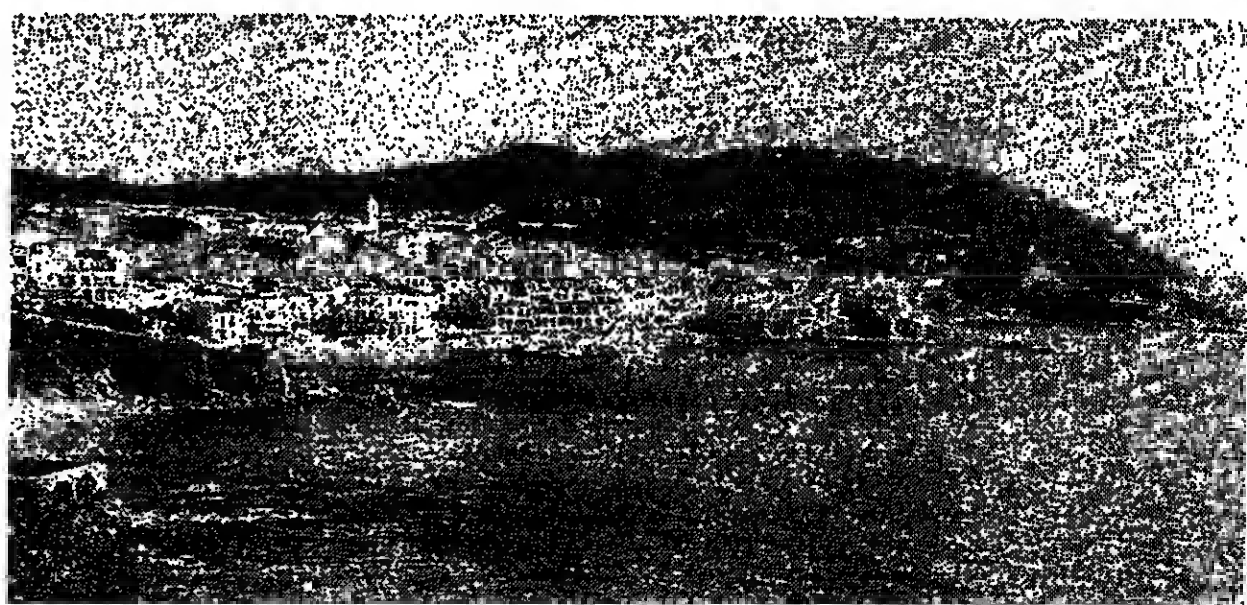
"The pre-1985 situation is absurd," said Pedro Gamero, deputy chairman of Vallehermoso, Spain's largest real estate company. He said that unless there was a change, foreign companies that have been renting premises since 1985 could sue the Spanish government as of 1993 for the discrimination in favor of pre-1985 tenants.

William Chislett



Office rents in prime areas of Barcelona have nearly quadrupled since 1986. Builders are pushing outward.

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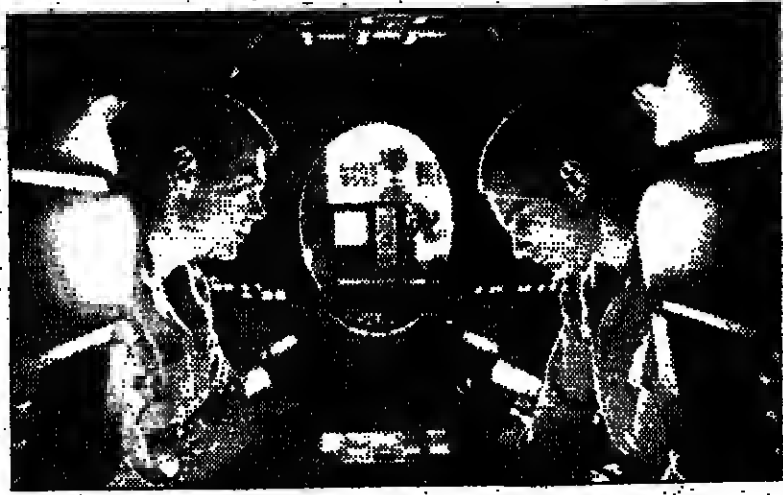
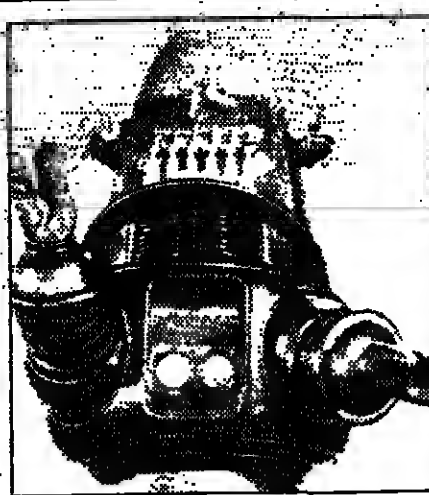
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From left: Maria in Fritz Lang's "Metropolis"; Robbie the Robot of "Forbidden Planet"; Hal, the all-encompassing computer of "2001: A Space Odyssey"; R2D2 and C-3PO in the "Star Wars" series; and Arnold Schwarzenegger in "Terminator 2."

## Under Their Metal Skins, Robots Bare Their Hearts of Gold

By Thomas Hine

**N**EW YORK — Is it progress when a terminator wants to weep? "Terminator 2" reaches its emotional climax when Arnold Schwarzenegger, playing a robot visitor from the future, says to the humans whose lives and species he has just saved, "I know now why you cry, but it's something I can never do."

The poor contraption has everything but tear ducts. Presumably his eyes don't need them for lubrication the way people's do. But what he's really saying is that he doesn't have a heart. A character that was a force of cold, relentless technology in the original, 1984 "Terminator" has by the end of the sequel been transformed into a Tin Woodman on steroids.

Everybody in the audience knows the show-business reasons for the transformation: Schwarzenegger's a big star oom, so he can't be the villain. The change makes the two films into very different sorts of robot movies. And although Schwarzenegger's expression changes hardly at all through the two movies, he shows most of the faces, both good and evil, of robots as they have evolved in popular culture.

In the first movie he is the embodiment of technology as a force of death — and a slightly kinky sexual presence. In the second he becomes a faithful and obedient superhuman helpmate and surrogate dad. The new-model liquid-metal Terminator (played by Robert Patrick) renders him almost a nostalgia item, a piece of technology that appears friendlier because it is obsolete. And finally he is an embodiment of the pathos of being almost human.

Robots in many guises are a fixture of popular culture. They have been butlers and thugs, sex toys and symbols of the death of the human spirit. They were born of the fear of technology but were transformed in mid-century America into metal-skinned mascots of a well-engineered society.

As belief in inevitable improvement has

waned, had — even incompetent — robots have coexisted with cybernetic pals. In "Sleeper," Woody Allen saw the future, and it was ridiculous, full of slapstick automata and tailor-and-droids who make the pants too long.

In the "Star Wars" films, robots served as character actors, leaving most of the humans free to be heroes. And in the "Terminator" movies, the robots are so capable that you can almost understand their determination that humans no longer deserve to live.

The idea of talking statues and living dolls

*Born of the fear of technology, they were transformed into mascots of a well-engineered society.*

has been around for thousands of years, and the 18th century was mad for mechanical men. The word robot was first used in Karel Capek's 1920 satirical play, "R.U.R.," which depicts a society so efficiently mechanized that there are special robots to hold humans' mouths open to force them to consume the surplus. The first truly memorable film robot was Maria in Fritz Lang's 1926 "Metropolis," who was sent as a decoy to mislead the toiling masses.

Since at least the 1930s, Americans have thought of robots as prospective domestic helpers, the answer to the servant problem. The Westinghouse Pavilion at the 1939 World's Fair had one that smoked a cigarette to prove he was just a regular guy.

People who grew up on 1950s women's magazines, Popular Mechanics or reruns of "The Jetsons" were led to believe that robots would be sweeping the floor, mixing martinis and walking the (possibly robotic) dog.

Instead, familiar objects are acquiring robotic qualities, the ability to process information

and act on it. Hal in "2001: A Space Odyssey," who was not a humanlike robot but an entire self-conscious environment, predicted the way things are heading. Machine-made decisions control jumbo jets, and our lives depend on them. Telephone calls turn out to be menu-driven contacts with a computer. Computer chips have become co-pilots of the family car.

But the movies and television are most interested in human-form robots, known as androids, and human-computer combinations, or cyborgs. One reason is that while sophisticated, mobile robots scarcely exist, actors do. The typical movie robot is a man or a woman with a metal suit — or just a funny look in the eye.

Still, it is interesting that some of the most endearing robot characters have been the most mechanical and metallic in their appearance. Tools with a personality are far more acceptable than humanoid creatures with an inhuman agenda.

Robbie the Robot in the 1956 film "Forbidden Planet" was a faithful friend but obviously a machine. R2D2, the short, fat robot in the "Star Wars" films, had only the most generalized human form and its speech was unintelligible, yet it had enormous personality nonetheless. It played the role of a comic but endlessly resourceful servant, much like the role Eric Blore played in the Astaire-Rogers musicals.

C-3PO, taller, thinner, more befuddled, more human but still metal-skinned, played the Edward Everett Horton role. And their forebear the Tin Woodman from "The Wizard of Oz" was prone to rust.

In general, the more mechanical a robot appears, the less threatening it is. Even the all-artificial contrivance in "Robocop" that the corporate monolith intends to use to subdue society turns out, despite its immense firepower, to be a flat-footed lummox that can't climb a flight of stairs. And the mechanical robot in Wes Craven's 1987 teen thriller "Deadly Friend" is almost absurdly charming, with his seductive, hyperkinetic eye-

lids. But when his brain is transplanted into the head of the girl next door, she becomes a homicidal monster. What's more, she never blinks.

Robots' eyes are important. Blinking humanizes mechanical-looking robots, while it is usually possible to know that something that looks human is really a robot by its implacable gaze. And when John Malkovich, in the 1986 comedy "Making Mr. Right," has a more robotic stare as a mad scientist than as the robot he has made in his own image, that's the joke.

Perhaps the most arresting piece of eye con-

tact ever made by a movie robot is in "Metropolis." A metal-skinned female robot, whose sheet-metal breasts are a precursor to Madonna's, has just been transformed into a facsimile of Maria, a virgin woman who inspires the workers of the subterranean city.

As she leaves on her mission of spreading confusion and misguided rebellion among the workers, the false Maria looks at the despot who ordered her made and gives a long lascivious wink. This wink of complicity at the industrial despot and the audience is shocking in its carnality. The sexiness of the robot is a remind-

er that the machine is a fulfillment of deep desires, whose consequences we may not want to face.

Robots are often sexy, in part because they promise an experience that is new and different. The women in "Making Mr. Right" are attracted to the robot because they enjoy having his undivided attention. But there is also the allure of the subhuman, a true sex object.

Thomas Hine, the author of "Popdaze" and, most recently, "Facing Tomorrow," wrote this for The New York Times.

### LONDON THEATER

## Willy Loman Doesn't Live Here

By Sheridan Morley

International Herald Tribune

**L**ONDON — Though I fervently hope not a vaudeville, Arthur Miller's "The Ride Down Mount Morgan" is a late-life piece from his middle 70s, and lacks a great deal of the dramatic energy that we have come to expect of one of the greatest living playwrights.

This is a conversation about the life of a salesman: Lyman Felt has been selling himself successfully for half a century, not least to the two women who have been his wives. There is just one snag. He has failed to divorce the first before marrying the second and is therefore a bigamist, though one who has by his own admission managed to lead two totally separate and happy lives for the past decade.

Then, unfortunately, he skips a Porsche off Mount Morgan and the police are factless enough to notify both wives, who duly appear at the hospital and go into the kind of shock from which he is just emerging. An agile production from Michael Blankmore allows Tom Conti (a veteran of hospital plays since "Whose Life Is It Anyway?") to leap around the bedside, sometimes in out-of-body dream sequences, trying to sort out his twin lives and wives, while Miller seems to debate among his characters the ethics of the situation.

Like most of the great Millers, from "Death of a Salesman" and "All My Sons" all the way to "A View From the Bridge" and "After the Fall," this is a play about guilt and memory and the dead weight of families. But unlike Willy Loman, Lyman Felt is not really a man to whom attention must be paid, and there is a terrible failure of involvement here.

It is not just the feminist issue: Lyman's case, which is essentially that he has made two women very happy and that his bigamy is a mere legal technicality, might not get him chosen for the U.S. Supreme Court but seems to Miller, and indeed this (male) reviewer, reasonable enough. The problem is that we don't get to care for him, bigamist or not, and we don't know enough to work out why we should. Lyman and his women seem to have been set up like ninepins but not a lot else.

Never mind the plot, celebrate the insights here: "all one can hope to do is end up with the right regrets"; "why does anybody stay together, once they have realized who they are with?"; and, best of all, "Look, we're all the same: a man is a 14-room house. In the bedroom he's asleep with his intelligent wife, in the living room he's rolling around with some girl, in the library he's paying his taxes, in the yard he's raising tomatoes, and in the cellar he's making a bomb to blow it all up."

**F**OR that alone, the ride down Mount Morgan is well worth taking, though the stock figures from the Miller repertoire, the haunting father (Harry Landis) and the all-knowing lawyer (Manning Redwood) have as much trouble getting their characters to ignite as do the two wives (Gemma Jones and Clare Higgins), who seem to stand around a lot waiting for the beam of Conti's sheepish charm to alight on them once more. In the Miller canon this is the closest we have come back to "After the Fall," of which Blankmore did the definitive production at the National a few seasons ago, but it lacks the rage and the passion of that earlier semi-innocent. There is elegance and wit and shrewd analysis

here, but a feeling also that the action is taking place in another part of that 14-room house.

At the Hampstead Theatre, George Rosie's "Carluccio and the Queen of Hearts" is essentially the story of a Scot on the rocks. The "Carluccio" of the title is none other than Bonnie Prince Charlie, no longer young or Bonnie, no longer the darling of folk song, but an old and dissolute wreck living out the end of his drunken life in Florence with an importunate young bride and the dying embers of his claims to the thrones of Scotland and England.

After the defeat at Culloden, most historians try to forget that Charlie lived for another 30 years, a pretender who had long since forgotten what it was he was pretending to be. His "queen" was a minor European princess, Louise de Stolberg, who married him in 1772 for a throne he was never to inherit, and then proceeded to be chronically unfaithful to the flame-leot old gentleman, her affairs carefully watched over by the British government envoy in Tuscany, Sir Horace Walpole, and the English court whenever or if over Charlie looked like becoming anyone's darling again.

From this neglected closet of the history of Scots in exile, the journalist George Rosie has drawn a savagely funny little parable about the decay of monarchy and the confused dreams of the would-be Charles III. A Scots hero who had no real interest in Scotland but quite fancied himself as a Stuart monarch despite being so pickled that he took to conferring knighthoods on his wine bottles.

As "the joke of Europe," David Kincaid is a memorably awful domestic despot, while Eilidh Fraser as his appalling princess and Robin Thomson as the omniscient ambassadorial spy spread a powerful production from Edinburgh by Sandy Nelson.

## Bergman, Euripides and Opera

By James Helme Sutcliffe

**S**TOCKHOLM — His movie of Mozart's "Magic Flute" is a perennial favorite. His staging of Stravinsky's "The Rake's Progress" here was called by the composer the most perfect realization of his opera that he had ever dreamed of seeing. His epic production of Ibsen's "Peer Gynt" is currently packing Stockholm's Royal Dramatic Theater. Now Ingmar Bergman, at 73, has staged the world premiere of a new opera, "The Bac-

chae" by Daniel Börtz, in the magnificently renovated Royal Opera.

From the time he took over as director of the Royal Opera four years ago, Erik Hemberg had hoped to get Bergman for an opera staging, but was warned on all sides how "difficult" Bergman was. As it turned out, all it took was a phone call, and the right piece. Euripides' drama warns of mass hysteria, the cult of violence, anarchic destruction, the thirst for revenge, but also of the danger inherent in denying or suppressing the Dionysiac side of human nature.

Remembering the somber view Bergman took of human relationships in such film classics as "The Seventh Seal" and "The Virgin Spring," dealing with the raw emotionality of life in the Dark Ages, it is not surprising that Euripides' last drama — written in exile as a septuagenarian after escaping to the mountain solitudes of Macedonia after a quarter-century of Athenian obsession with war and descent into tyranny — was the right piece for Bergman.

In working on the two-act libretto with the composer and the translators, Jan Stolpe and Göran O. Eriksson, Bergman made some characteristic changes much affecting its musical realization.

The chorus is not a group but 14 individual Maenads, 13 singers and a dancer. They are the priestesses Dionysus has gathered around him on his progress from the Hindu Kush via Persopolis, Babylon, Lydia, Phrygia, Constantinople and Thrace to Thebes, and each wears her regional dress with its rich rusts, reds and mustard yellows, by designer Lennart Mörk, in his completely neutral setting. Mörk's perspective coalesce with a steeply sloping ceiling projected both sung and spoken texts over the large orchestra and allowed for a stunning final peroration from the departing Dionysus, on high in white Mantichurian garb with mask.

The sexual ambivalence implied by the blind seer Tiresias and the dressing of King Pentheus as a woman, to take part unobserved in the orgiastic rites on Mount Cithaeron, was extended by having Dionysus sung by a dramatic soprano (the magnificent Sylvia Lindstrand), terrifying in unwavering determination to avenge the wrongs suffered by Semele. Tiresias too, whose sex change has made him all-knowing, was here presented in a female phase, a high camp performance by Laila Andersson-Palmé and much-needed lighter re-

lief before the catastrophe, particularly in her scenes with the retired King Cadmus, knowingly played by Sören Walmann.

The brunt of Dionysus' bloody revenge, however, is borne by Semele's sister Agave and her son Pentheus, portrayed as an intolerant male chauvinist who, as king, tries to block Dionysus and is slaughtered by his own mother in a blind rage of religious hysteria. Peter Mattei, a young graduate of Kerstin Meyer's opera school, created a superb baritone Pentheus, oozing masculine militancy, and Anita Soldh as the wide-eyed Agave, innocent of the fact that she was carrying her son's severed head in a bloody bundle, again proved to be a singing actress of magnetic personality.

**T**HE 48-year-old Börtz has reached Opus 68 on his list of works, which include eight symphonies, three string quartets, concertos for violin, bassoon, cello and piano, and many solo, chamber, choral and orchestral works. His powerful score for "The Bacchae," for large orchestra with five percussionists and piano, runs about two and a half hours but over bashes its hearers into submission. The writing is grateful and even melodic for the voice without sacrificing contemporary. If Act 1 seemed a little too long it may have been due to the spoken narrative of the Hebridesan describing the orgiastic goings on outside Thebes.

In the final analysis, though, it was Bergman's total concentration on the Aristotelian ideal, getting the story across directly and clearly without decorative detours, which makes "The Bacchae" such a shattering evening of musical drama.

The work will be performed until Dec. 13, returning to the repertoire next season.

James Helme Sutcliffe is a Berlin-based critic and musician.

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## MARKET DIARY

## Poor Bond Auction Hurts Wall Street

NEW YORK — Blue-chip stocks fell in moderate trading Tuesday, slipping along with the bond market after a disappointing start for the U.S. Treasury's \$38 billion quarterly refunding auction. The Dow Jones industrial average, which lost 10.73 points on Monday, fell 14.31 points, to 3,031.31. It was the fourth straight fall in the barometer.

Declines outnumbered advances by a 5-4 ratio, as volume rose to 171.95 million shares from 155.53 million traded on Monday. Despite the Big Board declines, prices rose on the American Stock Exchange and in over-the-counter trading.

Jeff Kaminsky, head of institutional sales trading at Mabon, Nutt & Co., blamed the Dow's fall on investor nervousness following the poor auction results and the lack of a Federal Reserve move to stimulate the sluggish economy.

"The stock market has struggled of late, based on the economic indicators showing continued weakness of the economy. If corporate earnings are to get better, the economy has to get better, and one way of doing it is to lower interest rates further," Mr. Kaminsky said.

RJR Nabisco Holdings preferred paced the Big Board actives, unchanged at 10%. RJR Nabisco Holdings followed, easing 1/4 to 10 1/4. Salomon was third, falling 1/4 to 28 1/4.

Fruit of the Loom led the Amex actives, rising 1/4 to 24. Apple Computer led the OTC actives, falling 1/4 to 48 1/4.

Monday's 1.6390 DM. But it rose a little to 1.4450 Swiss francs from 1.4425 and to 5.6020 French francs from 5.6015. The pound fell marginally to \$1.7730 from 1.7735.

The only notable move by the dollar was against the yen, as it rose to 130 yen from Monday's finish of 129.25. The yen suffered from expectations of a Japanese discount rate cut, dealers said.

"Sentiment is still bearish" toward the dollar, said David Gilmore, senior analyst at MCM Currencywatch. "But people feel levels significantly below 1.64 marks were not good for getting short."

Traders continue to expect a U.S. discount rate reduction, although most do not see the Fed moving before the end of the Treasury's quarterly auctions Thursday.

The dollar also benefited from a report by the Soviet news agency Interfax that the Soviet Union might run out of convertible currency this month to meet its foreign debt payments. "That situation could have important ramifications in the future," said Earl Johnson of Harris Bank.

With the U.S. economic recovery looking anemic, market psychology remains staunchly negative toward the dollar, traders said. But Linda McLaughlin, senior corporate dealer for AJG Trading, said traders were reluctant to establish additional short-dollar positions until the currency either rebounds above 1.65 DM or falls below 1.63 DM.

Earlier in London, the dollar stood at 1.6435 DM in late trading, up from 1.6358 DM Monday, and at 129.87 yen, up from 129.05, at 1.4487 Swiss francs, up from 1.4419 francs, and at 5.6125 French francs, up from 5.5975. The pound weakened to \$1.7695 from \$1.7800.

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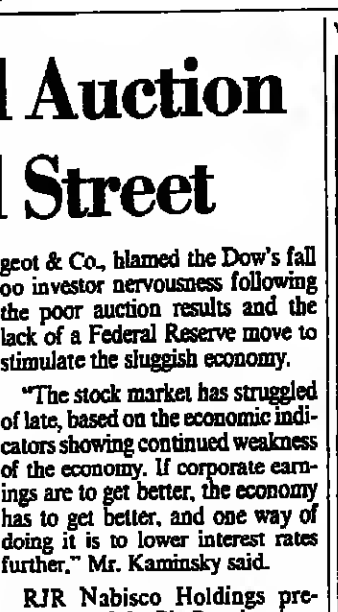
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Daily closings of the  
Dow Jones industrial average  
1989

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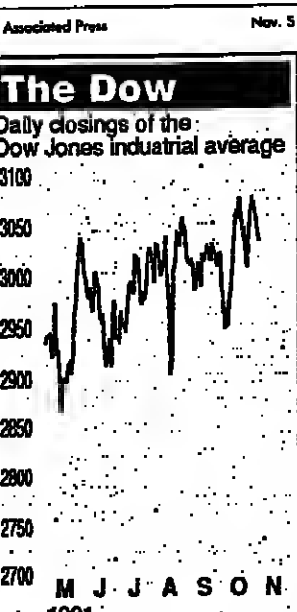
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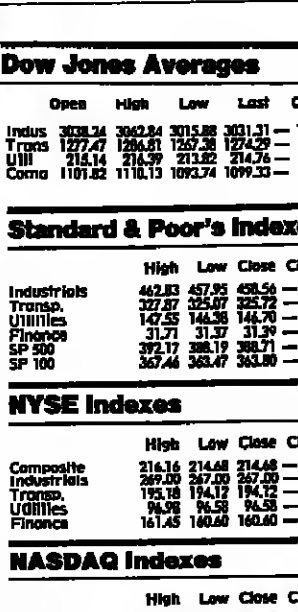
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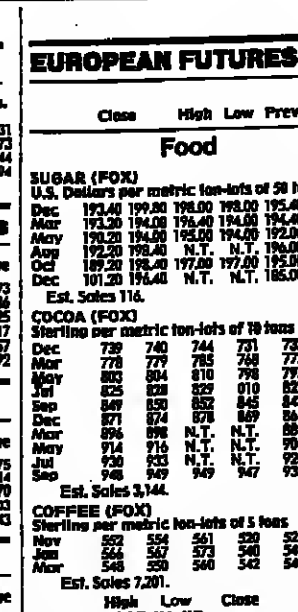
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Reviews — Reliance Electric Co. said the company to Siemens AG, the big German firm, to develop a new line of products, formerly a unit of Exon Corp. The company said it was looking for a partner to help it develop a new line of products, formerly a unit of Exon Corp. The company said it was looking for a partner to help it develop a new line of products, formerly a unit of Exon Corp.

Sees Quarterly Profit

Compaq Computer Corp. expects to see a profit in the third quarter after a year of losses. The company said it was looking for a partner to help it develop a new line of products, formerly a unit of Exon Corp. The company said it was looking for a partner to help it develop a new line of products, formerly a unit of Exon Corp.

Laptop Prices

Prices of Toshiba Corp.'s Toshiba 100 laptop computers have fallen by up to 24 percent since they were first introduced in the market. It came a day after its price-cutting in the price of a notebook computer.

Shortage of Hard Cash

ern financial institutions to pay off Soviet debts.

Help From World Bank

Levin T. Preston, president of the World Bank, said the bank has agreed to provide \$50 million in technical assistance to help the Soviet Union develop its economy.

Bank Will Assist in

United States in transforming the Soviet system into a free market economy. It will provide assistance in the areas of agriculture, industry, and social security.

Table with 4 columns: Symbol, Description, Price, Change. Includes various stock symbols and their corresponding prices and changes.

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# NYSE

## Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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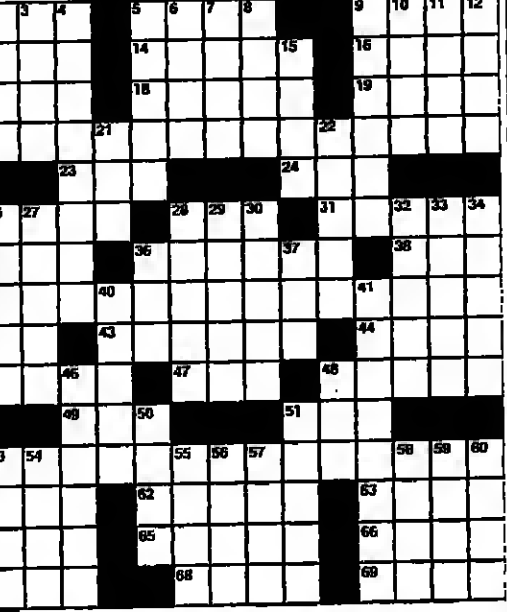
Stock	Div	Yld	PE	High	Low	PA	Chg
IBM	3.20	4.2	12.5	115 1/4	114 3/4	114 3/4	+1/4
Microsoft	0.00	0.0	15.0	55 1/4	54 3/4	54 3/4	-1/4
Apple	0.00	0.0	15.0	35 1/4	34 3/4	34 3/4	-1/4
Oracle	0.00	0.0	15.0	25 1/4	24 3/4	24 3/4	-1/4
Novell	0.00	0.0	15.0	20 1/4	19 3/4	19 3/4	-1/4
Lotus	0.00	0.0	15.0	15 1/4	14 3/4	14 3/4	-1/4
Intuit	0.00	0.0	15.0	10 1/4	9 3/4	9 3/4	-1/4
Visa	0.00	0.0	15.0	5 1/4	4 3/4	4 3/4	-1/4
MasterCard	0.00	0.0	15.0	4 1/4	3 3/4	3 3/4	-1/4
Discover	0.00	0.0	15.0	3 1/4	2 3/4	2 3/4	-1/4
Amex	0.00	0.0	15.0	2 1/4	1 3/4	1 3/4	-1/4
Bank of America	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Wells Fargo	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Citigroup	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
JPMorgan	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Goldman Sachs	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Salomon Smith Barney	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Prudential	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
MetLife	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
AIG	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Travelers	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Amgen	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Genentech	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Schering-Plough	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Pfizer	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Merck	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Abbott	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Boehringer Ingelheim	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Eli Lilly	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Amgen	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
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Boehringer Ingelheim	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Eli Lilly	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4

- ACROSS**
- Grad
  - Like the best laugh
  - Actress Moore
  - Ridge, famed horse
  - Mercator work
  - Knowledgeable about
  - Eastern power wielder
  - Norman Vincent
  - Actor Robert Oe
  - Big names in TV
  - Make haste
  - Used a calculator
  - Apple-pie maker
  - Don't just stand there
  - Chasers of bees
  - Put back in the microwave
  - Book by Nabokov
  - Big names in educ.
  - Light-bulb man's monogram
  - I have
  - Expression of sadness
  - Church figure
  - Sea hawk
  - Food fish
  - Kind of sync
  - Tracks connection
  - Big names in int. orgs.
  - Crooked
  - Lorelei, e.g.
  - Risque
  - Ache
  - What some do to a quarry
  - Memorable publisher
  - Nice summers
  - Building additions
  - Unit of illumination

**Solution to Previous Puzzle**

A	R	I	E	S		L	I	B	R	A		P	S
R	E	M	A	N		O	R	I	O	N		L	A
C	A	P	R	I	C	O	R	N	U	S		A	R
J	O	E		P	O	S	E	S	A	T		U	R
T	E	L	L		R	E	G	A	T	T		E	R
S	T	A	R	R		E	E	D					
P	E	C	A	N		S	E	E					
O	A	T		S	T	A	R						
T	R	I	S	T	E								
A	I	R	D	R	O	M	E						
P	O	R	T	I	A								
C	B	I		A	T	T	E	N	T	I	V	E	L
L	E	A		G	E	E	S	E					
M	Y	L		E	D	G	E	R					

- DOWN**
- Vicinage
  - Chance-taker's perch
  - acid, from grapes
  - Italian noblewoman
  - Run out
  - o'clock
  - scholar
  - Piece of the rock
  - Baby powder
  - Crocodile
  - Poema del Cid, e.g.
  - Cockcrow
  - Privy to
  - Catch in a gunlock
  - Auction nod
  - Shearer or Rae
  - Opposite of obtuse
  - Sticker, for short
  - Struck out
  - About 39 inches in Soho
  - Landlord
  - A Yucatan native
  - Drive meshuga
  - Beck-room plotters
  - Rely on
  - Disencumber
  - Cuba libre component
  - Cuomo or Lanza
  - Brag, in a way
  - Flee to wed
  - Peccadillo
  - By me, in cards
  - Cisterns
  - Scuffi musical
  - Got off a Spad
  - Hue
  - Lot or spot
  - Russian river
  - Our
  - Gershwin
  - Other preceder
  - Reverberate
  - Sec; vesicle



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# NASDAQ

## Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Stock	Div	Yld	PE	High	Low	PA	Chg
IBM	3.20	4.2	12.5	115 1/4	114 3/4	114 3/4	+1/4
Microsoft	0.00	0.0	15.0	55 1/4	54 3/4	54 3/4	-1/4
Apple	0.00	0.0	15.0	35 1/4	34 3/4	34 3/4	-1/4
Oracle	0.00	0.0	15.0	25 1/4	24 3/4	24 3/4	-1/4
Novell	0.00	0.0	15.0	20 1/4	19 3/4	19 3/4	-1/4
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Amex	0.00	0.0	15.0	2 1/4	1 3/4	1 3/4	-1/4
Bank of America	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Wells Fargo	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
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JPMorgan	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
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Eli Lilly	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4

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IBM	3.20	4.2	12.5	115 1/4	114 3/4	114 3/4	+1/4
Microsoft	0.00	0.0	15.0	55 1/4	54 3/4	54 3/4	-1/4
Apple	0.00	0.0	15.0	35 1/4	34 3/4	34 3/4	-1/4
Oracle	0.00	0.0	15.0	25 1/4	24 3/4	24 3/4	-1/4
Novell	0.00	0.0	15.0	20 1/4	19 3/4	19 3/4	-1/4
Lotus	0.00	0.0	15.0	15 1/4	14 3/4	14 3/4	-1/4
Intuit	0.00	0.0	15.0	10 1/4	9 3/4	9 3/4	-1/4
Visa	0.00	0.0	15.0	5 1/4	4 3/4	4 3/4	-1/4
MasterCard	0.00	0.0	15.0	4 1/4	3 3/4	3 3/4	-1/4
Discover	0.00	0.0	15.0	3 1/4	2 3/4	2 3/4	-1/4
Amex	0.00	0.0	15.0	2 1/4	1 3/4	1 3/4	-1/4
Bank of America	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Wells Fargo	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Citigroup	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
JPMorgan	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Goldman Sachs	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Prudential	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
MetLife	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
AIG	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Travelers	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Amgen	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Genentech	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Schering-Plough	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Pfizer	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Merck	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Abbott	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Boehringer Ingelheim	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Eli Lilly	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4

Stock	Div	Yld	PE	High	Low	PA	Chg
IBM	3.20	4.2	12.5	115 1/4	114 3/4	114 3/4	+1/4
Microsoft	0.00	0.0	15.0	55 1/4	54 3/4	54 3/4	-1/4
Apple	0.00	0.0	15.0	35 1/4	34 3/4	34 3/4	-1/4
Oracle	0.00	0.0	15.0	25 1/4	24 3/4	24 3/4	-1/4
Novell	0.00	0.0	15.0	20 1/4	19 3/4	19 3/4	-1/4
Lotus	0.00	0.0	15.0	15 1/4	14 3/4	14 3/4	-1/4
Intuit	0.00	0.0	15.0	10 1/4	9 3/4	9 3/4	-1/4
Visa	0.00	0.0	15.0	5 1/4	4 3/4	4 3/4	-1/4
MasterCard	0.00	0.0	15.0	4 1/4	3 3/4	3 3/4	-1/4
Discover	0.00	0.0	15.0	3 1/4	2 3/4	2 3/4	-1/4
Amex	0.00	0.0	15.0	2 1/4	1 3/4	1 3/4	-1/4
Bank of America	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Wells Fargo	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Citigroup	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
JPMorgan	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Goldman Sachs	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
Prudential	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
MetLife	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4
AIG	0.00	0.0	15.0	1 1/4	1 3/4	1 3/4	+1/4



## Japan Shows Flexibility On Rice, a GATT Issue

Compiled by Our Staff From Dispatches

TOKYO — Japan indicated on Tuesday that it might be willing to ease its ban on rice imports, a major stumbling block in world trade talks, if the European Community curbed its farm subsidies.

Masumi Tanabe, the new Japanese agriculture, forestry and fisheries minister, said, "Japan currently cannot accept tariffication without the abolition of export subsidies," apparently referring to the EC payments to farmers.

It was the first time a Japanese agriculture minister expressed willingness to move from an all but closed market to one in which rice imports would be subject to tariffs.

The comments came ahead of a Saturday meeting to the Hague of President Jacques Delors, president of the EC Commission, and Rijkman Groenendaal, prime minister of the Netherlands and current EC chairman. They are to discuss global trade talks.

In Geneva, Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade, called a meeting for Thursday of the steering group of the current round of world trade negotiations. A spokesman said the meeting of the Trade Negotiations Committee would assess the situation after five years of talks in the Uruguay Round of GATT talks.

and discuss possible scenarios for completing the negotiations and reaching an accord.

Diplomats at Brussels said on Monday that the EC had agreed to make some concessions on its Common Agricultural Policy if the United States dropped a system of unilateral trade sanctions much resented by the Europeans.

Tokyo also dislikes the U.S. trade sanctions, while America has criticized Japan's closed rice market.

Earlier on Tuesday, Kozo Watanabe, the new international trade and industry minister, said he hoped the rice issue would be solved by the end of the year. "I would like to exert efforts to eliminate trade friction with the United States," he said.

"Rice is an issue which should be solved by the agriculture, forestry and fisheries ministry but the whole of the cabinet should try to achieve its satisfactory settlement within the year," he added.

Also on Tuesday, Gaiishi Hiraiwa, chairman of Japan's powerful Federation of Economic Organizations, known as Keidanren, called on the government to make a quick decision on "partial liberalization" of Japan's rice imports.

"Rice is a product subject to liberalization. The problem should be solved on the basis of quantity," he said. (AFP, Reuters)

## Hawker Offers to Lift Payout

Compiled by Our Staff From Dispatches

LONDON — Hawker Siddeley PLC said Tuesday that it would boost dividends and sell divisions to resist the £1.5 billion (\$2.6 billion) takeover bid from BTR PLC.

Hawker Siddeley, an engineering group, said it planned to sell its rail division to Siemens AG of Germany and would sell major parts of its instruments and controls division to Emerson Electric Co. of the United States.

Financial analysts were unimpressed by Hawker's defense, under which it proposed to raise its 1991 final dividend by 30 percent to 19.5 pence a share. "It's bribing the shareholders to stay with them," said Zafar Khan, an analyst at S.G. Strauss Turnbull.

Other analysts said BTR would easily overcome the Hawker defense by offering a bit more money in its cash and stock offer. "BTR only has to adjust its bid marginally," said Alan Coats of Paribas.

BTR said on Monday that it had received acceptances representing 75 percent of Hawker's capital.

Hawker stock rose 4 pence to close at 722 pence in London, while BTR stock rose 9 pence to 400.

Hawker said it was pursuing a number of electric-motor businesses and battery groups. (Reuters, AFP)

## Sale Plan Helps Wellcome Stock

Reuters

LONDON — The stock of Wellcome PLC rose on Tuesday after the British drug company said it was in talks to sell its environmental health and diagnostics divisions.

Roussel Uclaf SA of France is the potential buyer of the health unit and Canada's Mox Technologies Corp. of the diagnostics business.

Wellcome stock rose 19 pence to close at 758 (£13.50). "They are now a pure drug company with nothing to distract them from what they are really good at," said James Dodwell of County NatWest.

## EC Institute Stirs Discord

France and Germany Differ on Monetary Body's Role

By Charles Goldsmith

International Herald Tribune

BRUSSELS — When European Community finance ministers announced a sweeping accord on monetary union six weeks ago, the EC Commission president warned that much work remained in defining the powers of a new European Monetary Institute.

That task has proved even more difficult than expected, as Germany has fiercely resisted giving the EMI much clout when it begins operations in 1994.

The French and German finance ministers failed on Tuesday to resolve differences over the EMI, but said they were confident an acceptable formula could be found soon. The Associated Press reported from Bonn.

Pierre Bérégovoy of France said he and his German counterpart, Theo Waigel, had "come closer together" on the issue, and that senior officials would meet again in coming days to hash out a compromise.

The ministers agreed the EMI should be allowed "to operate in full independence," Mr. Bérégovoy said.

Explaining the German-French dispute over the EMI, an EC official in Brussels said, "Germany wants to be sure that this institute has no monetary role, so it is reluctant to capitalize it or give it an independently elected president and vice president."

France, backed by Italy, Spain and the EC Commission, feels the new institute should take on monetary functions as an embryonic European central bank, and that its top officers should be independent of the existing Committee of EC Central Bank Governors.

Germany, supported chiefly by Britain, wants the monetary institute's role to be largely confined to promoting the European currency unit, because it is opposed to surrendering the Bundesbank's monetary control before an EC central bank is officially formed.

Under a compromise plan agreed to by finance ministers in the Dutch town of Apeldoorn on Sept. 21,

the monetary institute will be launched in 1994 and the central bank will not begin operations until the final stage of monetary union, in 1997 at the earliest.

The EC Commission had favored creation of a central bank in 1994, as decided by EC leaders at an October 1990 summit meeting in Rome. The Commission president, Jacques Delors, said he could instead accept a monetary institute in 1994 provided it was not a mere "fig leaf" for the central bank governors' panel.

The issue will next be debated by EC finance ministers on Monday, but some officials said it might be unresolved when leaders meet next month in Maastricht, the Netherlands.

Another matter still open for debate involves the supervisory powers of the European Central Bank, and whether a separate banking oversight institution should eventually be established.

"The issue of prudential supervision of credit institutions has not been raised yet to our ministerial meetings," said Finance Minister Wim Kok of the Netherlands in a letter to his colleagues last week.

Germany, seeking to protect the independence of the European Central Bank, would prefer a separate institution to handle supervisory functions, but most EC countries want the central bank to be responsible.

Among Community countries, only Germany and Denmark have separate supervisory agencies.

A recent report by the London-based Center for Economic Policy Research called for the European Central Bank to authorize banks, but for a separate regulatory agency to administer insolvency, supervise bank closure and provide deposit insurance.

Some other researchers disagree. "In theory you can separate these functions," said Daniel Gros of the Center for European Policy Studies in Brussels, "but in practice you need the intimate knowledge of the banks that only the central bank has."

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1700/1800	2700/2800	1900/2000
1625	2650	1825
1550	2600	1750
1475	2550	1675
1400	2500	1600
1325	2450	1525
1250	2400	1450
1175	2350	1375
1100	2300	1300
1025	2250	1225
950	2200	1150
875	2150	1075
800	2100	1000
725	2050	925
650	2000	850
575	1950	775
500	1900	700
425	1850	625
350	1800	550
275	1750	475
200	1700	400
125	1650	325
50	1600	250
0	1550	175
Exchange	Index	Tuesday Close
Amsterdam	CBS Trend	89.10
Brussels	Stock Index	5,525.65
Frankfurt	DAX	1,576.12
Frankfurt	FAZ	651.85
Helsinki	HEX	821.70
London	Financial Times 30	1,948.10
London	FTSE 100	2,540.90
Madrid	General Index	258.95
Milan	MIB	992.00
Paris	CAC 40	1,846.91
Stockholm	Affarsvarlden	1,005.50
Vienna	Stock Index	435.65
Zurich	SBS	609.10
		Prev. Close
		88.70
		5,502.76
		1,570.21
		649.47
		826.00
		1,935.30
		2,527.80
		258.50
		989.00
		1,841.51
		1,012.10
		424.21
		604.80
		% Change
		+0.45
		+0.42
		+0.38
		+0.37
		-0.52
		-0.66
		+0.52
		+0.17
		+0.30
		+0.29
		-0.85
		+2.70
		+0.71

Sources: Reuters, AFP

## Very briefly:

• Accor SA, the French hotel group, expects net profit in 1992 of 1 to 1.2 billion francs (\$178 to \$214 million). Co-chairman Gerard Pelissier said, up from an expected 950 million this year; the 1992 profit includes 70 million francs from Wagons-Lits, which Accor is seeking to buy.

• Assicurazioni Generali SpA said it would boost its stake in the Swiss life insurer Familia-Lebensversicherung to 54.7 percent from 21 percent.

• MAN AG repeated forecasts that it expected good earnings next year and said it planned to pay a 12 DM (\$7.32) dividend, unchanged.

• French industrial output rose 0.5 percent in the second quarter from the first quarter, but was only 0.4 percent above the year-earlier quarter.

• Skandinaviska Enskilda Banken said it had postponed a board meeting scheduled for Tuesday on its future relationship with the insurer Forsakrings AB Skandia and said negotiations on the bank's role in Skandia were continuing.

• Cummins Engine Co., the largest U.S. maker of diesel engines, has agreed to provide motors for Soviet trucks under a joint venture with the Soviet firm Kamaz, the Interfax news agency reported.

• Generale Bank NV, Belgium's largest bank, will raise its stake in Banque Parissienne de Crédit to 70 percent in January, said the chairman of the bank's executive committee, Paul-Emmanuel Janssen; the bank will pay 560 million French francs (\$100 million) for the additional stake. (Reuters, AFP)

## European Body Gets Computer Net

PARIS — Cap Gemini Sogefi SA and Hewlett-Packard Corp. have supplied a computer system linking the 38 members of the Conference on Security and Cooperation in Europe, the French company said Tuesday. The network links members' foreign ministries so they can exchange text and illustrated material, said Jacques Collin, Cap Gemini's director of communications. The CSCE, which deals with security and human rights issues, includes all European states, the United States and Canada. A Dutch subsidiary of Cap Gemini provided the software, while Hewlett-Packard supplied the hardware. A Cap Gemini spokeswoman said the system cost 2.5 million guilders (\$1.35 million).

## RÉPUBLIQUE ISLAMIQUE

### DE MAURITANIE

HONNEUR - FRATERNITÉ - JUSTICE

## MINISTÈRE DE L'HYDRAULIQUE ET DE L'ÉNERGIE

ET

## MINISTÈRE DES FINANCES

### AVIS D'APPEL D'OFFRES

Les promoteurs privés sont informés que l'Etat Mauritanien met en vente publique 7 920 actions de la Société Mauritanienne de Commercialisation des Produits Pétroliers (SMCPP) représentant 66 % de son capital réparti en 12 000 actions entièrement détenues par l'Etat.

Cette offre publique de vente, qui s'inscrit dans le cadre de la politique de désengagement de l'Etat du secteur des entreprises publiques, s'adresse tout particulièrement à:

— des groupements entre des professionnels pétroliers et des promoteurs privés mauritaniens,

— des professionnels pétroliers,

— des promoteurs privés mauritaniens.

Le dossier d'appel d'offres pourra être retiré auprès de Monsieur le Directeur Général de la SMCPP, sur présentation d'un reçu de versement, au bénéfice du Trésorier Général de la RIM, des frais de dossier fixés à 20 000 um (vingt mille ouguiyas).

La date limite de dépôt des offres est fixée au 1<sup>er</sup> décembre 1991, à 13 heures Temps Universel.

## EC: Germany Pushes Convergence

(Continued from first finance page)

possible realignment of European currencies. But he also said that it might not be necessary. "It depends very much on the economic convergence," he said.

Looking further down the road, Mr. Tietmeyer said the only way he could envision reconciling the need to enlarge the European Community to include other nations beyond the current 12 members with the desire to strengthen European institutions is to establish different types of membership.

"I am not talking about the present members only, but about Austria or the Baltic states or Finland, or whatever," he said.

Mr. Tietmeyer, in a formulation he has used before, described his vision of a Europe composed of what he called "concentric circles" in which different countries would be able, at least temporarily, to meet different standards.

Eventually, any country that wished and was able to meet the criteria would be eligible to belong to the inner circle.

"That is why one has to be cautious. This is a one-way street," he said. "There should be the freedom for coming in, but you can't go the other way."

## MEDIA: Magazines Proliferate

(Continued from first finance page)

start-up. This would be a joint venture with Rizzoli, the Italian publisher, to put out an American edition of Max, the lush, overpriced youth magazine devoted to celebrities and culture.

Michael Perlis, president of Playboy Enterprises, said the company hoped to announce the start-up by the end of the year. "We're being cautious because we need to launch it at exactly the right time," he said.

For the first time in 148 years, the Economist Group has decided to start a magazine.

Titled Treasury, it makes its debut this month as a sibling publication to CFO, the magazine for chief financial officers, which was ac-

quired nearly three years ago by the Economist Group. Marjorie Scardino, president of the Economist Group in North America, calls Treasury a "bottom-up kind of launch."

"The editor of CFO spends a lot of time talking to readers," she said. "The readers said we want to read more about cash management and treasury issues."

Treasury, which will derive its revenue from advertising, will be sent free to 45,000 treasurers.

David Laird, publisher of CFO and Treasury, said Treasury was able to use the resources of CFO and the Economist Group, so it was started for less than \$250,000 and came close to breaking even with the first issue.

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**Tuesday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

73 Month SIA

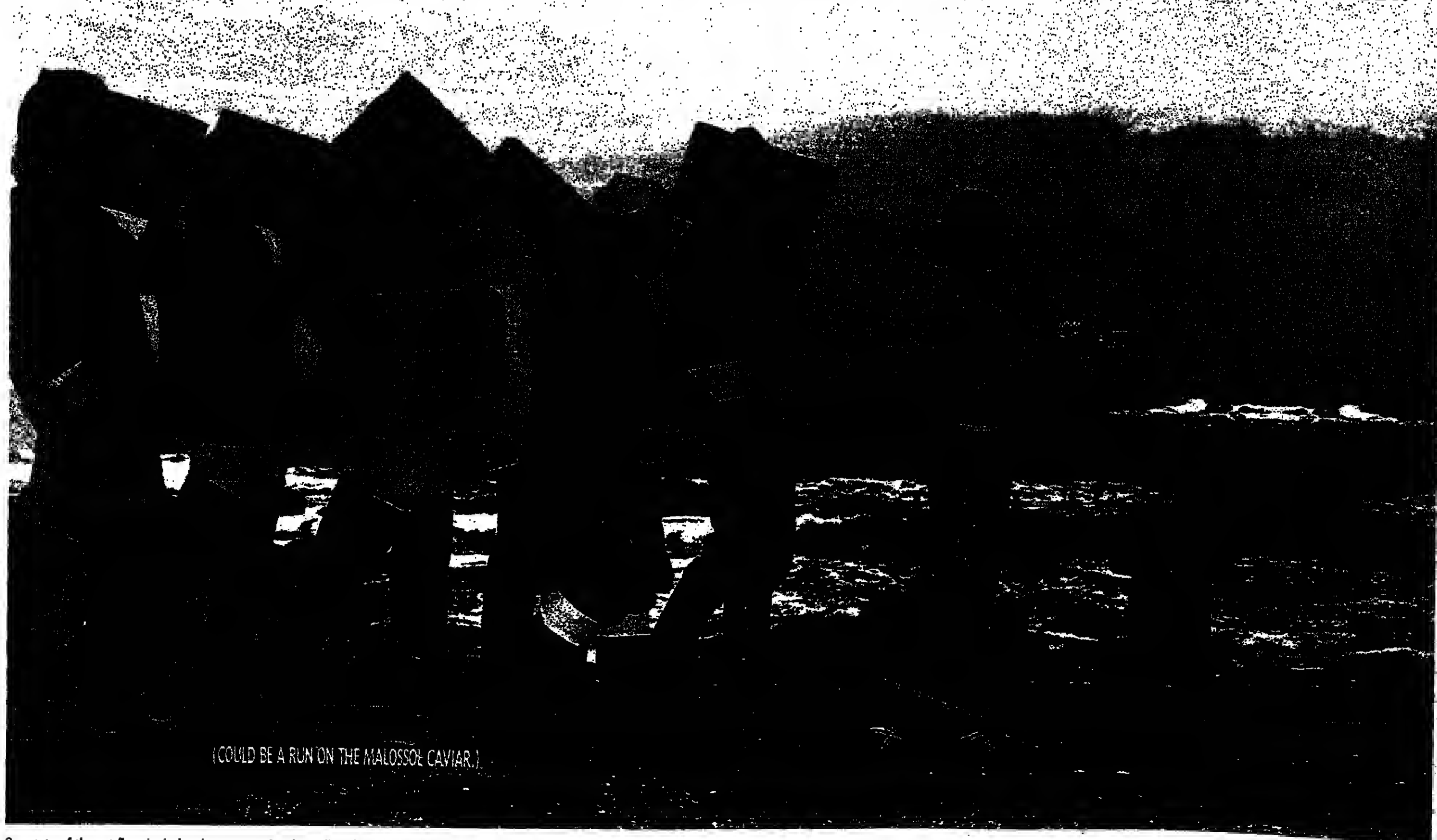
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Sales figures are unaffected. Yearly highs and lows reflect the previous 52 weeks plus the current year's, but not the latest 52 weeks. The stock dividend amounting to 25 percent or more has been paid, the year's high-low range and date of the new stock issue. Unless otherwise noted, rates of dividends are annual distributions based on the following:  
 a — dividend also eventual.  
 b — dividend paid in preceding 12 months.  
 c — dividend paid in preceding 12 months plus stock dividend.  
 d — dividend declared.  
 e — dividend low.  
 f — dividend declared or paid in preceding 12 months.  
 g — dividend declaration funds subject to 15% non-refundable tax.  
 h — dividend declared after split or stock dividend.  
 i — dividend paid this year, omitted, deferred, or no action.  
 j — dividend declared in preceding 12 months.  
 k — dividend declared or paid this year, on accumulative basis.  
 l — dividend declared in arrears.  
 n — new issue in the past 52 weeks. The high-low range begins with the first date of issue.  
 nd — next day delivery.  
 o — dividend declared on call.  
 p — dividend declared and paid in preceding 12 months, plus stock dividend.  
 s — dividend paid. Dividend begins with date of split.  
 sub — split.  
 t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.  
 u — dividend yearly high.  
 v — trading halted.  
 w — dividend on call or nonconvertible or being reorganized under the Bankruptcy Act, or securities assumed by such company when distributed.  
 x — dividend issued.  
 y — with warrants.  
 z — with stock rights.  
 zdx — ex-distribution.  
 zdxs — ex-dividend and stock split.  
 zdxs — ex-dividend and stock in full.  
 z — sales in full.

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## Europe's Rush for Fool's Gold

it can field. Yet Arsenal has lost its last two games without scoring, and the 1-1 draw it achieved in Benfica's Stadium of Light owed more to resilience and luck than an ability to match the Portuguese for mobility and touch.

Wednesday will tell if Arsenal's power can dismantle a Benfica defense whose kingpin, the Brazilian Ricardo Gomes, was sold while the team manager was on vacation. Either Arsenal is spending foul's gold, or Benfica is gathering it.

Elsewhere, Barcelona boasts a 120,000-seat stadium and Catalan nationalism to fill it. The fanaticism brought a two-goal advantage in the first leg, thanks to one of Barcelona's Biscques, Aitor Reguiristain; a good lead but not an impossible one for Kaiserslautern to surmount in Germany.

Sampdoria, the suffering Italian champion, lost another league match, 2-1, in Naples on Sunday. It trails Kispesti Hooved of Hungary by the same score and even its away goal was the product of an aging Brazilian, Toninho Cerezo. With so much Italian influence in the new Europe, it is high time Sampdoria's Gianluca Viali and Roberto Mancini started to score.

Marseille, the other driven force in Europe, led Sparta Prague by 3-0, but complacency conceded two penalties and consequently the French have a far harder job in Prague.

The pressures become abnormal. Administration abandoned the essence which prevailed throughout the lifetime of today's players; now we must hope players stay within sporting bounds with so much riding on one frenzied night.

**I T IS FITTING** to leave the last words to a businessman rather than a sportsman, such is the buschiness in European soccer. Kees Ploegman, managing director of PSV Eindhoven, sums up his club's prospects after a stifling 0-0 first-leg home draw against RSC Anderlecht:

"Team manager Bobby Robson and the players are aware that success means six big European games — bonuses, publicity, and individual profit. Two get

## Kohl Was Against Berlin 2000 Bid

**BERLIN** — Chancellor Helmut Kohl suggested that Berlin should give up its bid to stage the 2000 Olympics but sports and city officials persuaded him otherwise, a spokesman said Tuesday.

Walter Lübke, president of the National Olympic Committee, said Kohl suggested it would be better bidding for 2004, because Berlin already would have too much on its plate in 2000 with the planned move of the government and the federal parliament to be completely finished about that time.

Berlin's bid has run into problems and the city is still looking for someone to head its candidacy. The previous manager resigned this summer following an unsuccessful advertising campaign and financial irregularities.

that Heart-Moon imagines for his book is part actual, part imaginary. It corresponds to the 12 U.S. Geological Survey maps that cover the center of the county and it resembles the grid that "an archaeologist lays over ground he will excavate. Wasn't it a kind of digger of shards?"

The result is a peculiarly 19th-century work. "PrairyErth" is a kind of countyana, a compilation of remarkable facts and stories that thread their way, non-sequentially, back in time.

"PrairyErth" is a rich and revealing work, but it is also full of problems, one of which is its structure. Every chapter reads like a fresh beginning, a reopening of the subject, and in a book as long as this very long one, that is a trial for the reader.

In the end, there is nowhere to get to, except a wild final chapter, for Heart-Moon's idea of structure simply voids the notion of a greater narrative rhythm.

Verlyn Klinkenborg, who teaches creative writing at Harvard University and is the author of "Making Hay" and "The Last Fine Time," wrote this for the *Los Angeles Times*.

than	2	ME: STORIES OF MY LIFE,		
stays.		by Katharine Hepburn	1	
	3	UH-OH! by Robert Fulghum	3	10
		CRUEL DOUBT, by Joe		
Weeks		McGuinnis	12	
List		5		
		with Patricia Romanowski		
		IRON JOHN, Robert Jay	5	50
		THE NEW WORLD OR-		
		by Robert		
		Savage Inequalities		
		by Jonathan Kozol		
		FIRE IN THE BELLY, by		
		Samuel		
11		PARLIAMENT OF	6	25
		WHORES, by P. J. O'Rourke	7	20
		J. EDGAR HOOVER, by		
		Henry	8	6
		MADONNA UNAUTHO-		
2		RIZED, by Christopher An-		
		dersen	10	
		SAVING PRIVATE RYAN, by William		
		Leah Hadwin		

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